IN THE UNITED STATES DISTRICT COURT

FOR THE SOUTHERN DISTRICT OF TEXAS

HOUSTON DIVISION

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|---|---|---|
| UNITED STATES OF AMERICA | § | CASE NO. 4:16-CR-00170-2 |
| | § | HOUSTON, TEXAS |
| VERSUS | § | TUESDAY, |
| | § | MAY 24, 2016 |
| SALEM FAHED TANNOUS (2) | § | 2:44 P.M. TO 9:00 P.M. |

ARRAIGNMENT AND DETENTION HEARING

BEFORE THE HONORABLE FRANCES H. STACY
UNITED STATES MAGISTRATE JUDGE

APPEARANCES:

| | |
|---|---|
| FOR THE PLAINTIFF: | SEE NEXT PAGE |
| FOR THE DEFENDANT: | SEE NEXT PAGE |
| CASE MANAGER: | BEVERLY WHITE |
| COURT RECORDER: | CHRIS KRUS |

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HOUSTON DIVISION

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| UNITED STATES OF AMERICA | § | CASE NOS. 4:16-CR-00170-4 |
| | § | 4:16-CR-00170-5 |
| VERSUS | § | 4:16-CR-00170-7 |
| | § | 4:16-CR-00170-9 |
| HUHAMMAD SHARIQ SIDDIQI (4) | § | 4:16-CR-00170-12 |
| AYISHA KHURRAM (5) | § | HOUSTON, TEXAS |
| OMAR MAHER ALNASSER (7) | § | TUESDAY, |
| HAZIM HISHAM QADUS (9) | § | MAY 24, 2016 |
| NAGY MAHMOUD ALI (12) | § | 2:44 P.M. TO 9:00 P.M. |

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APPEARANCES:

| | |
|---|---|
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| FOR DEFENDANT HAZIM HISHAM QADUS: | ATTORNEY AT LAW<br>David P. Cunningham, Esq.<br>2814 Hamilton Street<br>Houston, Texas 77004 |
| FOR DEFENDANT NAGY MAHMOUD ALI: | VINAS GRAHAM AND SAMPLE<br>Spence Douglas Graham, Esq.<br>405 Main Street, Suite 950<br>Houston, Texas 77002 |
| ALSO PRESENT: | Nina Midway<br>Official Arabic Interpreter |

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HOUSTON, TEXAS; TUESDAY, MAY 24, 2016; 2:44 P.M.

(Official Interpreters utilized for translation.)

THE COURT: So I'm told that there are some witnesses out in the hall, family members maybe, who need to be in the courtroom possibly for this next hearing, and if so, we should let them come inside the courtroom. And this is Case Number 16-0170, US versus Salem Fahed Tannous.

Am I calling those people?

MR. JOCHER: John Jocher and Nancy Herrera on behalf of the United States.

THE COURT: Who's involved in this hearing, Mr. Salem Fahed Tannous?

MR. JOCHER: Mohammad Siddiqi.

THE COURT: Mohammad Shariq Siddiqi --

MR. JOCHER: Ayisha Khurram

THE COURT: -- Ayisha Khurram, Omar Al Nasser, Hazim Hisham Qadus -- I think we already have that one. Right? And Nagy Mahmoud Ali. Did we not have a hearing for Mr. Qadus already?

MR. JOCHER: No yet, Your Honor.

THE COURT: Not yet. Okay. Please stand up in the front of the bench in the order I called your name. First, Mr. Salem Fahed Tannous.

MR. DOYLE: Paul Doyle here for Mr. Tannous, Your Honor.

THE COURT: Mr. Doyle. Mr. Tannous is being assisted by the official court interpreter, who's translating this proceeding into what language?

THE INTERPRETER: Arabic, Your Honor.

THE COURT: Arabic. Can you please tell us your name?

THE INTERPRETER: My name is Noubough Nina Midway, Licensed Court Interpreters, 630, Master Arabic.

THE CLERK: We need a business card, please.

THE INTERPRETER: I'll get you a business card.

THE COURT: Yes. Thank you.

THE COURT: And the defendant, Mr. Mohammad Shariq Siddiqi.

MR. SCHAFFER: Kent Schaffer and Tammy Kidd.

THE COURT: Mr. Ayisha -- or Ms. Ayisha Khurram.

MR. KENNEDY: Yes, ma'am. James Kennedy, Gary Tabakman, Your Honor.

THE COURT: Omar Maher Al Nasser.

MR. DeGUERIN: Good afternoon, Your Honor. Dick DeGuerin and Matt Hennessey for Mr. Al Nasser.

THE COURT: Thank you, Mr. DeGuerin. And, Mr. Hennessey.

MR. DeGUERIN: Thank you.

THE COURT: Mr. Hazim Hisham Qadus.

MR. CUNNINGHAM: David Cunningham for Mr. Qadus, Your Honor.

THE COURT: And Nagy Mahmoud Ali.

MR. GRAHAM: Spence Graham, Judge, here.

THE COURT: I'm sorry?

MR. GRAHAM: Spence Graham here for --

THE COURT: Mr. Graham.

MR. GRAHAM: -- Mr. Ali.

THE COURT: Okay. Are all the lawyers retained?

(All respond in the affirmative.)

THE COURT: Okay. And are we proceeding with a detention hearing today? Is anybody waiving one?

MR. JOCHER: Your Honor, no one has indicated they're going to be waiving their detention hearing. Mr Graham and Mr. Ali have filed a Motion to Continue their hearing with the Court that I think Mr. Graham would like to ask the Court to entertain before we proceed further.

MR. GRAHAM: Yes, Your Honor, that's correct.

THE COURT: On what basis?

MR. GRAHAM: Mr. Ali retained me yesterday. I spoke with him, got some information to address some of the concerns with Pretrial Services. But all of his contact information that he had in the world is in his cell phone, which was confiscated by the Government. I am feverishly working to try to recreate contacts, but it's just going to take some time.

I --

DEFENDANT ALI: (Speaks in Arabic.)

MR. GRAHAM: Okay. Well, I spoke to -- I spoke to a witness that I believe will be able to assist me in that, but that was in the hours before this hearing. He was not able to be present due to court constraints.

THE COURT: If you have to --

MR. GRAHAM: Okay.

THE COURT: -- I'm not going to grant your motion, Mr. Graham, but I am going to allow you to present further evidence on another day, but we need to begin the hearing today because there's just too many people whose schedules had to be coordinated to have the hearing we have set now.

MR. GRAHAM: I understand.

THE COURT: So we should do arraignment first. Right?

THE CLERK: And, Judge, there is an issue. Some of the attorneys are not of record and I don't have their information. I don't even know if they're all in the Houston database.

THE COURT: We'll start all over then. For Mr. Tannous we have Mr. Doyle. He's been retained.

THE CLERK: We really need business cards, please.

MR. DOYLE: I have been retained and I filed a notice that the Judge signed, a Motion to Substitute

Mr. Lewis.

THE CLERK: Okay.

MR. DOYLE: And I'll get you a card.

THE COURT: A Motion to Substitute has already been signed?

MR. DOYLE: Yes, Your Honor.

THE COURT: An order to substitute?

MR. DOYLE: That's correct.

THE COURT: Who signed the order?

MR. DOYLE: Judge --

THE CLERK: Not --

MR. DOYLE: -- Judge Miller I believe.

THE CLERK: I'm speaking of Mr. Graham and --

THE COURT: Mr. Graham, are you admitted to practice in the Southern District of Texas?

MR. GRAHAM: Yes, Your Honor.

THE COURT: Are you retained for Mr. Ali?

MR. GRAHAM: Yes, Your Honor.

THE CLERK: Can you --

THE COURT: Can we have your business card?

MR. GRAHAM: Sure.

THE COURT: And do you have a Motion to Substitute --

MR. GRAHAM: It's been filed and actually Judge Miller I believe -- we filed it yesterday, but Judge Miller signed it today at --

THE COURT: Okay. Good.

MR. GRAHAM: -- 2:06 I believe.

THE COURT: I know Mr. Cunningham is admitted to practice in this district. And have you been retained, Mr. Cunningham?

MR. CUNNINGHAM: I have, Your Honor.

THE COURT: And Mr. Schaffer already told me he's been retained. Correct?

MR. SCHAFFER: (No audible response.)

THE COURT: And Mr. Kennedy was retained days and days ago. Right?

MR. KENNEDY: That's correct, Your Honor.

THE COURT: And, Mr. DeGuerin and Mr. Hennessey, you're retained for Mr. Al Nasser. Right?

MR. DeGUERIN: That's correct, Your Honor.

THE COURT: So does that straighten everything out, Beverly, for you?

THE CLERK: Thank you, Judge.

THE COURT: Okay. Good. So for the arraignment -- we're going to do arraignment -- have each of you had an opportunity to discuss the accusations against you in the indictment with your lawyer. Mr. Tannous, have you talked to Mr. Doyle?

MR. DOYLE: Yes.

THE COURT: Mr. -- where is Mr. Tannous?

MR. DOYLE: Right here.

THE COURT: Where is your client? Okay.

Mr. Tannous, have you talked to your -- Mr. Salem Fahed Tannous, have you talked to your lawyer, Mr. Doyle, about the accusations in the indictment against you?

DEFENDANT TANNOUS: Yes.

THE COURT: And do you understand the accusations?

DEFENDANT TANNOUS: Yes, I understand.

THE COURT: Okay. Mr. Siddiqi, have you had a conversation with your attorney, Mr. Schaffer, about the accusations against you in the indictment?

DEFENDANT SIDDIQI: Yes, Judge.

THE COURT: And you understand what you're being accused of?

DEFENDANT SIDDIQI: Yes.

THE COURT: Okay. Very good.

And, Ms. Khurram, have you had a conversation with your lawyers about the charges against you in the indictment, and you understand what you're being accused of? Yes? Yes?

DEFENDANT KHURRAM: Yes, ma'am.

THE COURT: Okay. And Mr. Omar Maher Ali -- Al Nasser, have you had a conversation with your attorneys about the charges against you in the indictment? You understand what you're being accused of? Yes?

DEFENDANT AL NASSER: (No audible response.)

THE COURT: And, Mr. Hazim Hisham Qadus, you talked to your attorney about the accusations against you in the indictment, yes?

DEFENDANT QADUS: Yes.

THE COURT: And do you understand the charges against you?

DEFENDANT QADUS: Yes.

THE COURT: And, Mr. Nagy Mahmoud Ali, have you also had a conversation with your lawyer, Mr. Graham --

DEFENDANT ALI: Yes.

THE COURT: About the charges?

DEFENDANT ALI: Yes.

THE COURT: And you understand what you're being accused of?

DEFENDANT ALI: Yes.

THE COURT: Okay. Now can you tell me what counts accuse Mr. --

MR. JOCHER: Would you like to be given a history --

THE COURT: -- Salem Fahed Tannous.

MR. JOCHER: Count 1, Your Honor.

THE COURT: And Mr. Mohammad Shariq Siddiqi.

MR. JOCHER: Mr. Siddiqi is included in Count 1, Count 2, Count 4, Count 5, Count 8 and Count 13 --

THE COURT: Okay.

MR. JOCHER: -- of the criminal indictment.

THE COURT: And Ms. Khurram?

MR. JOCHER: She is in Count 1, Count 2, Count 3, Count 5, and Count 8 -- and Count 13.

THE COURT: And Mr. Al Nasser.

MR. JOCHER: Counts 6 and 7, Your Honor.

THE COURT: And Mr. Qadus?

MR. JOCHER: Count 1, Count 6, Count 11 and Count 13.

THE COURT: And how about Nagy Mahmoud Ali?

MR. JOCHER: Count 1, Count 9, Count 10, Count 13.

THE COURT: Okay. Will each of the attorneys on behalf of these defendants waive a formal reading of the indictment?

(All respond in the affirmative.)

THE COURT: Yes. Okay. How do you plead to those counts that the Government just numbered for you, Mr. Tannous? How do you plead? Not guilty? Will you enter a not guilty plea to the counts against you?

MR. DOYLE: He does, Your Honor. I'll enter on his behalf, it's not guilty.

DEFENDANT TANNOUS: Not guilty.

THE COURT: Very good.

Mr. Siddiqi, do you plead not guilty to those counts?

DEFENDANT SIDDIQI: Yes, Judge.

THE COURT: And, Ms. Khurram, do you plead not guilty also?

DEFENDANT KHURRAM: Yes.

THE COURT: And, Mr. Al Nasser, do you also plead not guilty?

DEFENDANT AL NASSER: Not guilty.

THE COURT: And, Mr. Qadus, do you plead not guilty too?

DEFENDANT QADUS: Not guilty.

THE COURT: Very good. And, Mr. Ali, do you plead not guilty?

DEFENDANT ALI: No.

THE COURT: No, not guilty?

DEFENDANT ALI: No, Your Honor.

MR. GRAHAM: Yes, he means not guilty.

THE COURT: Correct. So your not guilty is made a part of the record in this case, and we have a schedule for trial before Judge Miller that includes a jury selection and trial date of June 27, 2016, and the Government estimates it will take about four weeks to try your case. So trial will start on June 27, it'll continue day-to-day until it's finished.

MR. DeGUERIN: Your Honor, that trial is not acceptable. They -- this case has two terabytes of information.

MR. JOCHER: Mr. DeGuerin, it's actually -- the Government plans to file a motion with the Court to have this case declared as complex. At previous hearings the Government has discussed that notion, Judge, already, and I think everybody -- I'm sorry, I haven't mentioned that to you, but we anticipate that trial date being moved. It's actually I think four terabytes of --

MR. DeGUERIN: Okay.

MR. JOCHER: Even worse than what you think.

MR. DeGUERIN: Well, even worse, but --

THE COURT: Okay. Well --

MR. DeGUERIN: Thank you.

THE COURT: -- with the understanding that it's possible the court date could change, do any of the defendants wish to waive his or her right to a speedy trial today?

UNIDENTIFIED SPEAKER: Not at this time.

THE COURT: Don't want to sign a waiver form.

UNIDENTIFIED SPEAKER: Not at this time, Your Honor.

THE COURT: No. No, no. Okay. You all -- so you have a two -- one o'clock jury selection and trial on June 27; a ten o'clock pretrial conference on June 27; a motion deadline of June 3, which is really soon; June 10 is the response deadline; June 27 is the pretrial conference at 10:00; and June 15 is the voir dire and jury instruction filing deadline. You'll each get a copy of the schedule and you'll probably have changes in court dates.

Would you please summarize the statutory range of punishment for each count?

MR. JOCHER: Your Honor, in Counts 1 and 8 the punishment range is identical, and that is up to 20 years confinement in a federal penitentiary, a fine of up to $1 million, and not less than -- excuse me, not more than three years supervised release. The punishment range for Courts 2, 3 and 4 is up to 20 years confinement, a fine not to exceed $250,000 and not more than three years supervised release. Counts 5 and 6 has a punishment range of up to 20 years confinement, a fine of not more than 500,000, or twice the value of the monetary instrument or funds involved in the offense and not more than three years supervised release. Count 7 has an imprisonment range of up to five years confinement, up to a $250,000 fine, and not more than three years supervised release. Count 13 is imprisonment up to 20 years, a fine not to exceed 250,000, and not more than three supervised release.

THE COURT: Okay. And are we ready to proceed with the bail hearing?

(All respond in the affirmative.)

THE COURT: Okay. I feel like the best way to arrange people is to ask to ask the clients to sit in the --

on the left side of the first two rows of the jury box and for the attorneys to sit around the counsel table and for -- you know, if you need to consult with your lawyer during the hearing, just raise your hand and we will let your lawyer get up and talk to you privately in the jury box if you need to consult with your lawyer during the hearing. I'm going to handle it that way. So everybody please get arranged for the hearing now.

(Recess from 2:56 p.m. to 2:59 p.m.)

THE COURT: Okay. Gosh, I'm sorry there's nowhere to sit for so many people.

So let's begin our hearing. The Government may call its first witness in Case Number H-16-170.

MR. JOCHER: John Jocher on behalf of the United States, Your Honor. The Government has one witness that it plans to tender for the course of the hearing.

THE COURT: Who is it?

MR. JOCHER: James Semrick.

THE COURT: Please come forward and be sworn. Raise your right hand to be sworn.

(Witness is sworn.)

THE CLERK: Take your seat on the witness stand, please.

MR. JOCHER: Judge, at this point the Government would like to inquire if there are any defense witnesses in the courtroom.

THE COURT: Any what?

MR. JOCHER: Defense witnesses in the courtroom.

UNIDENTIFIED SPEAKER: There are, Your Honor.

UNIDENTIFIED SPEAKER: There are.

MR. JOCHER: We ask that they be excused during the testimony, admitted when they're going to testify before the Court.

THE COURT: If they're only testifying about character matters, I don't think that's necessary.

MR. JOCHER: No, I don't know what they're testifying about. At the point --

UNIDENTIFIED SPEAKER: That's all, Judge, that ours will be testifying about.

UNIDENTIFIED SPEAKER: Same here.

UNIDENTIFIED SPEAKER: I intend to proffer and that's all of ours, Your Honor.

MR. DeGUERIN: Your Honor, I have a witness that's both a character witness and has also talked with one of the co-defendants, who's presently a fugitive today, and he will be talking about the -- what he learned in that telephone conversation from that individual.

THE COURT: Who's your witness?

MR. DeGUERIN: His name is Alex -- hold on, I can't pronounce this very well -- Alex Batayneh.

THE COURT: Okay.

MR. DeGUERIN: B-A-T-A-Y-N-E-H.

THE COURT: And where is he?

MR. DeGUERIN: He's in the courtroom.

THE COURT: Okay. We --

MR. DeGUERIN: And --

THE COURT: -- we'll have to put him in the witness room until you call him.

MR. DeGUERIN: All right.

THE COURT: Anybody else like that?

MR. DeGUERIN: No. The defendant's wife is here and I might have her testify about her knowledge of the home that they recently bought.

THE COURT: That wouldn't exclude her. So, Mr. Batayneh, can you approach the bench, please?

Okay. Anybody else have witnesses like that?

THE COURT: Or are you witnesses just for --

MR. KENNEDY: Well, I mean the Government --

THE COURT: -- flight risk issues?

MR. KENNEDY: -- they've let the Court know that there's a presumption. We have to rebut that today so --

THE COURT: Right.

MR. KENNEDY: -- they're not only character witnesses, but they also -- we're going to need to use them to try to overcome that presumption. So I mean they're character in nature, but they also exist outside --

THE COURT: Okay. The question is are they going to hear evidence from this witness and will that like potentially influence the way that they might testify about matters having to do with the facts of this case?

MR. KENNEDY: Not in my case, no.

THE COURT: Okay. Good.

So will you please come forward and be sworn? Please state your name.

THE WITNESS: Husain Ali Batayneh.

(Witness is sworn.)

THE COURT: All right. Beverly, will you take him to a witness room while we start this hearing, and when you're required by Mr. DeGuerin to testify on behalf of his client, we'll come retrieve you. Please don't discuss the case with anybody until after you testify. All right, sir?

MR. KENNEDY: Mr. Hennessey will take him.

THE COURT: All right. Okay. Hopefully a place where you can use your cell phone.

Okay. So lets start with the testimony. You may proceed.

MR. JOCHER: Thank you, Your Honor.

DIRECT EXAMINATION OF JAMES SEMRICK

BY MR. JOCHER:

Q Will you please introduce yourself for the Court and

spell your name for the purposes of the record?
A My name's James Semrick, S-E-M-R-I-C-K.
Q How are you employed?
A As a special agent with the Drug Enforcement Administration.
Q How long have you been employed in that capacity, Agent Semrick?
A Nineteen years.
Q During the course of your work as a DEA agent, did you begin a synthetic cannabinoids investigation?
A Yes, sir.
Q How long ago approximately?
A About four years.
Q During the course of your investigation did you identify two brothers who were involved in that narcotics business named Khader and Salem Tannous?
A Yes, sir.
Q Do you recognize Salem Tannous as someone who's here in this courtroom today?
A Yes, sir.
Q Can you point him out -- point him out and identify him -- can you identify --
(Pause in proceedings.)
BY MR. JOCHER:
Q Could you please identify where's seated in the courtroom

today for the purposes of the record and for the Court?

A He's in the front row of the jury box, closest to me with the headphones.

MR. JOCHER: Your Honor, for the purposes of this hearing alone will you let the record reflect that Agent Semrick has identified Salem Tannous?

THE COURT: Any objection?

MR. DOYLE: No objections, Your Honor.

THE COURT: All right. The record will so reflect.

BY MR. JOCHER:

Q Could you identify a business that Mr. Tannous had during your investigation?

A Yes, sir, Salem's Wholesale.

Q What was the primary trade that Salem's Wholesale engaged in?

A Distribution of synthetic cannabinoids.

Q And do you recognize the name Matt Russell?

A Yes, sir.

Q Who is he?

A He's a cooperating defendant.

Q Is he charged here in Houston?

A No, sir, out of Wisconsin.

Q And what sort of behavior did Mr. Russell engage in that wound up with him being charged in Wisconsin?

A The manufacture and distribution of synthetic

cannabinoids.
Q Was he also involved with Salem Tannous in that business?
A Yes, sir.
Q In fact, during the course of your investigation did law enforcement identify a series of checks written by Wholesale -- Salem's Wholesale to a company that Matt Russell was involved in?
A Yes, sir.
Q Approximately how many checks did they identify?
A Approximately 80.
Q Of those approximately 80 checks from Salem's Wholesale was there anything particularly consistent -- any particularly consistent trait that they shared?
A A majority were under the $10,000 amount.
Q What about sequential numbers, did any of them share sequential numbering?
A Yes, sir, they did.
Q Okay. And is the fact that those checks were under $10,000 and some of them were sequentially numbered suggest anything at all significant to you?
A Yes, sir, it did.
Q What?
A To keep the amount the $10,000 reporting requirement for a CTR.
Q In 2013 did law enforcement conduct a search at Salem

Tannous's residence pursuant to a federal search warrant?

A Yes, sir.

Q And during the course of that search warrant did law enforcement seize certain items from within his house?

A Yes, sir.

Q I'd like to direct your attention to --

MR. JOCHER: Your Honor, like we had last weekend, is there any way we could put the projection screen down so you can see what I have up on the screen?

THE COURT: Yes. As soon as Beverly comes back.

MR. JOCHER: Okay.

UNIDENTIFIED SPEAKER: She won't be long now.

THE COURT: There's a seat in the front row for one of the interns. Come on up. We'll do that in a moment.

MR. JOCHER: Can the Court see what I have up on my screen, Your Honor, on its screen?

THE COURT: No, I -- it's not working. We should put down the big screen. Let me call Beverly. It shouldn't be that hard, I just don't know how to do it.

(Pause in proceedings.)

THE COURT: What are we looking at?

MR. JOCHER: May I proceed, Your Honor?

THE COURT: Yes.

BY MR. JOCHER:

Q Agent Semrick, can you describe for the Court what it is

that we are seeing depicted on the screen?
A It's a plastic -- a photo of a plastic container that I took, and it's --
Q And where was that seized?
A That was for Salem Tannous's Mercedes Benz, in the trunk.
Q And can -- the Court may not be able to read -- it was -- it appears to be a Rubbermaid container. Was there a business card affixed to that container?
A Yes, sir, that reads, Salem's Wholesale.
Q And what was it that you found inside those containers?
A There were empty packages of the Kush brand.
Q During the course of your search did you also seize other items for Mr. Tannous's residence?
A Yes, sir.
Q I'm showing you what's depicted in the Government's next slide. Can you describe what the Court's looking at there?
A It's a photograph of a money counter on the left --
THE COURT: Does it have an exhibit number or anything?
MR. JOCHER: It's Slide Number 2, Your Honor.
THE COURT: All right.
MR. JOCHER: I wasn't asking to admit to these -- admit these --
THE COURT: Okay.
MR. JOCHER: -- during the course of this hearing.

I could refer to that as well.

THE COURT: I just want to identify it for the record.

MR. JOCHER: Okay.

BY MR. JOCHER:

Q Slide Number 2, can you describe what the Court's looking at, Agent Semrick?

A Yes, sir, on the photo on the left it's a money counter that was seized from Mr. Tannous's residence. And on the right, it's a synthetic cannabinoid package with a box of rolling papers.

Q Is there any significance to the rolling papers to you?

A Yes, sir, it'd be for the consumption of the product, to smoke it.

Q Did you recover any cash from the house and the car that was parked at the house during the execution of the search warrant?

A Yes, sir.

Q Hang on one second, Agent Semrick.

A Okay.

Q Agent Semrick, during the execution of the search warrant did the Government -- did the -- did you recover any cash?

A Yes, sir.

Q What was the approximate amount of cash that was seized?

A $93,000.

Q All right. During the course of your search did you also seize a cellular phone from Salem Tannous?
A Yes, sir.
Q Did you also seize his brother Khader Tannous's cellular phone?
A Yes, sir.
Q Was his brother present at the house at the time the search warrant was being executed?
A Yes, sir, he was.
Q Was that cellular phone examined?
A Yes, sir.
Q Were there any -- was there any evidence of Mr. Tannous engaging in synthetic cannabinoid narcotic transactions on that cellular telephone?
A Yes, sir.
Q I'm directing --
THE COURT: For who, which one?
MR. JOCHER: Salem Tannous.
BY MR. JOCHER:
Q I'm directing your attention to Government's Slide Number 3. Can you explain the significance of that information from Mr. Tannous's phone to the Court?
A Yes, sir. On the first text message dated May 28, 2013, it's regarding Salem Tannous, which was a message originally sent by Hakim Habosh (phonetic). Hakim Habosh has been

identified as a major source of supply for synthetic cannabinoids out of California.

Q And the following -- the text underneath of that, what is the significance of that to you and your investigation?

A That was a text message sent by Louie Alifeefee (phonetic) who we determined to be a synthetic cannabinoid distributor and small scale manufacturer. He's requesting Salem Tannous to send him 500 bags.

Q In May of 2014 was Salem Tannous stopped for a traffic violation by the Harris County Sheriff's Office?

A Yes, sir, he was.

Q Did they obtain consent to search his vehicle during that traffic stop?

A Yes, sir.

Q Did they manage to find anything that they seized during that traffic stop?

A Yes, sir, they seized a little over $50,000.

Q Based on your investigation can you describe the nature of the business relationship between Salem Tannous and his brother Khader Tannous?

A Yes, sir, I'd consider them partners in this as large scale synthetic cannabinoid distributors.

Q Were there also text messages from Khader Tannous's cellular phone that was seized that indicated that he was participating in synthetic cannabinoid narcotic transactions

that you found?
A Yes, sir.
Q I'm directing your attention to Government's Slide Number 4. What is the significance of that?
A The first Column, May 6, 2013, is a message between Salem Tannous and Khader Tannous where they're stating to send the money orders to Eddy Habosh, who's an alias for Hakim Habosh.
Q And Hakim Habosh is, again, the major synthetic narcotics dealer who's in California?
A Yes, sir. And --
Q Did you have a confidential source who was actually working in conjunction with the DEA who knew Salem Tannous?
A Yes, sir.
Q And did you have him supply you any photographs of Salem Tannous? I'm directing your attention to Government's Exhibit Number 5 now.
A Yes, sir.
Q Who is depicted in Government's Exhibit Number 5?
A That's Salem Tannous.
Q Did your confidential source describe to you what Salem Tannous's role here in Houston was relative to the synthetic cannabinoid business?
A Yes, sir, he described him as the person responsible for the whole show of bringing synthetic cannabinoids to Houston.
Q And specifically did he ever relay to you any opinions

that Mr. Tannous had about the nature of the product that they should generate and sell to the community here in the Southern District of Texas?
A Yes, sir.
Q I'm going to direct your attention to Government's Slide Number 6.
A Yes, sir.
Q What was that?
A The CS related that Salem Tannous stated, Make it stronger, it'll kill the customers. Kill them, that's where the money is at. Everyone wants the strongest.
Q Where does Salem Tannous reside, Agent Semrick?
A In Houston, Texas.
Q Where does his --
(Pause in proceedings.)
THE COURT: What's going on? Okay.
BY MR. JOCHER:
Q Where does Khader Tannous reside, Agent Semrick?
A In Virginia.
Q Does Salem Tannous have another business here locally?
A Yes, sir.
Q And what's the name of that business?
A It's Tannous Jewelry.
Q And did law enforcement have an opportunity to install what's referred to as a pole camera outside Tannous Jewelry in

October of 2015?

A Yes, sir.

Q And how long was that pole camera in place?

A Since October -- approximately October till this month.

Q Were you able to monitor the foot traffic that came in and out of Tannous Jewelry with that pole camera?

A Yes, sir.

Q Could you characterize the usual patterns of foot traffic that you witnessed during the approximately six months that that pole camera was in place?

A A majority of the traffic appeared to be related to Mr. Tannous and some of his co-workers, with very few customers.

THE COURT: Which Mr. Tannous?

THE WITNESS: I'm sorry, Salem Tannous.

BY MR. JOCHER:

Q And when you say co-workers, specifically did you identify people from your investigation that were routinely going in and out?

A Yes, sir.

Q And what role did they play relative to Salem Tannous? Were they working for -- based on your investigation, what kind of occupation did you see those people performing on a routine basis?

A I saw them at their -- the stash location where they

stored the synthetic cannabinoids and making deliveries.
Q So they were working for him in the narcotics business, not the jewelry business.
A Yes, sir.
Q Did you have an opportunity to employ a confidential source who negotiated to purchase synthetic cannabinoids from Salem Tannous and his brother, Khader Tannous?
A Yes, sir.
Q After that purchase was negotiated did your control source -- or confidential source have a business location, a business office of his own?
A Yes, sir, he did.
Q After the purchase was negotiated between Salem Tannous and Khader Tannous, who came to your confidential source's place of business to collect that debt?
A Salem Tannous.
Q Approximately what was the debt that he was trying to collect from your confidential source?
A $27,500.
Q Okay. Can you tell the Court approximately when that was occurring?
A When the deliveries for the -- I'm sorry?
Q When the purchase was negotiated and then when Salem Tannous was making trips to the CS's office in order to collect on a debt for the narcotics?

A The deliveries were made in July, I can't recall the exact date of the second delivery.
Q Just give me the month and the year, Agent Semrick, please.
A 2015, July was the initial delivery, and Salem Tannous stopped by the CS's business one time in December and one time in March of 2016.
Q I'm showing you what's been placed up on the video screen as Government's Exhibit 7. Can you tell us who that is in the video screen capture right there?
A That's Salem Tannous.
Q And is there more of this -- was this a video or a still photo?
A It's a video.
Q And have you had the opportunity to see the entire video?
A Yes, sir, I have.
Q Who, in fact, walks into the CS's office along with Salem Tannous that day?
A Abdalnour Izz.
Q And when does that conversation take place?
A March 11, 2016.
Q Have you had an opportunity to listen to audio that accompanies that video?
A Yes, sir.
Q And what was Salem Tannous talking to your confidential

source about?
A Payment for the synthetic cannabinoid deliveries.
Q During the course of this investigation did law enforcement obtain any ledgers from one of Salem Tannous's other businesses?
A Yes, sir.
Q Did they indicate any purchases in particular, and if so, what kind?
A If it -- for Down to Earth Corporation or DZU -- DZ Corporation, they were the source of supply for Salem Tannous and -- or Salem's Wholesale.
Q Well, let me be more specific. Did law enforcement seize any ledgers that had indicated that Salem Tannous's business had made purchases of synthetic cannabinoids?
A Yes, sir.
Q Okay. And did those ledgers indicate any amounts that Mr. Tannous's business had paid for those synthetic cannabinoids?
A Yes, sir.
Q And what were those amounts?
A It was $208,000.
Q Are you able to approximate the amount of money that Salem Tannous and Khader Tannous's business was generating relative to synthetic narcotics on a monthly basis?
A Yes, sir.

Q What is that approximation in your opinion?
A Two to four million dollars a month.
Q Did law enforcement obtain any recorded calls where Khader Tannous is instructing that payment for synthetic cannabinoids be directed to his brother as recently as 2015?
A Yes, sir.
Q And returning to the subject of Tannous Jewelry for a moment, earlier this month did you ask another confidential source to go into Tannous Jewelry?
A Yes, sir, I did.
Q Was that confidential source able to talk to Salem Tannous while he was in Tannous Jewelry?
A Yes, sir.
Q Can you relay to the Court the nature of the conversation that those two gentlemen had?
A Yes, sir. The cooperating source asked Salem Tannous if he had 500,000 to $2 million in gold available to transfer from old money that he had in addition to old money from friends, and friends --
Q Would --
A -- in a business or something.
Q Let me ask you this, based on the confidential source's relationship with Salem Tannous, was it his opinion that Mr. Tannous would understand what he meant when he said old money and old business associates?

A Yes, sir.
Q And why is that?
A They were in the business together. He supplied him with synthetic cannabinoids, he being the confidential source.
Q Supplied who with synthetic cannabinoids?
A Salem Tannous.
Q How did Salem Tannous respond after he was made this proposition by your confidential source?
A He stated he could complete the transaction but he would document it on receipt to make it legal.
Q Okay. And did he sell your confidential source how much gold he could -- approximately how much gold he could supply he with?
A He said at current inventory that he had $600,000 worth of gold --
Q In fact --
A -- in his store.
Q In fact, did law enforcement execute a search warrant at Tannous Jewelry on May 17 of this year?
A Yes, sir.
Q During the course of that search warrant was law enforcement able to gain entry into a safe within Tannous Jewelry?
A Yes, sir.
Q And, in fact, did you have a chance to ask Mr. Salem

Tannous about the amount of gold inventory that he had inside that safe?
A Yes, sir.
Q And when you asked him that question, how did he respond?
A It was related through another officer, but he stated he had -- it was either 21 or 21.5 kilos of gold.
Q Did he refer -- did he ever refer to what he had inside the store as inventory?
A Yes, sir, he did.
Q Did you ever find any sort of inventory sheets?
A No, sir.
Q Did you ever find any sort of ledgers where he would refer to what he had inside the store?
A I saw handwritten ledgers on notebook paper that had amounts in kilos.
Q Nothing indicating particular pieces of jewelry or inventory, he had just weights?
A Yes, sir.
Q According to the Texas Workforce Commission, were you able to find any records of Salem Tannous's reported wages from the Texas Workforce Commission?
A Yes, sir.
Q For which year?
A 2014, he reported $11,000 in earnings.
Q What's the approximate value of the gold that was seized

from Tannous Jewelry?
A Based on the 21 kilos, it could be up as far -- as high as $985,000.
Q Who is Ziad Alsalomeh?
A He's a large scale synthetic cannabinoid distributor that was located here in Houston.
Q Has he since fled the country?
A Yes, sir, he has.
Q Based on what law enforcement knows.
A Yes, sir.
Q Did law enforcement, before he fled, have the opportunity to interview Alsalomeh about his source of supply for synthetic cannabinoids here in Houston?
A Yes, sir.
Q Did he tell you who his major source of supply was starting in 2013?
A Yes, sir.
Q Who was that?
A Salem and Khader Tannous.
Q In fact, in June 2014 did law enforcement record calls between Khader Tannous and Alsalomeh that led to the discovery of approximately an 1800 pound shipment of synthetic cannabinoids?
A Yes, sir.
Q Based on those calls, was law enforcement able to seize

that shipment?
A Yes, sir.
Q I'd like to direct your attention to Government's Slide Number 8. What is the Court looking at in Government's Slide Number 8?
A The top right would be one of the boxes removed, they're separated by brands of synthetic cannabinoids. The bottom picture is one of the pallets, one of three that was shipped -- coordinated shipment by Khader Tannous to Alsalomeh.
Q Did law enforcement locate any storage units that were used to stash synthetic cannabinoids by Alsalomeh?
A Yes, sir.
Q Were you able to search and seize the products that were in those storage units?
A Yes, sir.
Q Based on your investigation, could you tell if what you located was the same product that was being supplied to Alsalomeh by the Tannous brothers?
A Yes, sir.
Q Did law enforcement locate a manufacturing facility on Gulf Crest in Houston during the course of your investigation?
A Yes, sir, we did.
Q I'm going to take you back a moment, in Government's Number 10 is -- can you explain to the Court what they're

looking at here?
A That's two of the storage units utilized by Alsalomeh which contain synthetic cannabinoids in the boxes.
Q Relative to the manufacturing site on Gulf Crest, did law enforcement, after if was identified by law enforcement, did law enforcement obtain a search warrant for that premises?
A Yes, sir, we did.
Q What month and year was that search warrant executed, Agent Semrick?
A October 2015.
Q Was someone named Frank Muratalla taken into custody at that location and did he speak to law enforcement at the scene?
A Yes, sir, he did.
Q Can you describe the nature of that location to the Court?
A Yes, it's a 10,000 square foot warehouse that was converted to manufacturer synthetic cannabinoids.
Q And Government's Exhibit Number 12, can you explain to the Court what they're looking at there?
A Yes, sir. The top left photo is the exterior of the warehouse with Frank Muratalla's Expedition backed up to the warehouse. The gate was closed and locked. The top right, that's a Tupperware bin, or plastic bin with dry plant material. The bottom left are multiple gallon containers with

acetone, and the bottom right are -- I think it's a couple of pallets containing sacks of plant material.

Q And what's that plant material used for?

A It's used in the manufacture of synthetic cannabinoids.

Q I'm directing your attention to Government's Slide Number 13. Were these taken at the same location?

A Yes, sir.

Q Can you explain to the Court what they're looking at here?

A Yes, sir. The top left photo are blue plastic bins containing finished synthetic cannabinoid products placed in packages. I believe the top two bins contain the brand Climax. The top right photo are black garbage bags contained treated plan material. In the background of that photo you can see packages that are empty and labels that are in round dispensers and contain approximately 1000 labels on there. The bottom left photo are the synthetic cannabinoid compounds in kilo form that were thrown over the fence trying to destroy evidence. And the bottom right we see the two like milk jugs almost, those contain the flavoring for the synthetic cannabinoids. Generally like blueberry, strawberry or some type of fruit flavoring.

Q I'll direct your attention to Government's Exhibit Number 14. What's the Court looking at in that photograph, please?

A That's an overall photo of the interior, if you walked into the bay looking to the right, containing -- we spoke to a -- a co-conspirator in this investigation stated that the -- it was all contaminated product. The empty bags and the labels, he said that cost them over $500,000 worth of product that we destroyed.

Q Did Mr. Muratalla tell you what his function was at that location?

A Yes, sir, it was to manufacture the products for the -- his -- Hakim Habosh's main customer in Houston, or primarily the only customer in Houston is Khader Tannous.

Q And did Mr. Muratalla describe to you -- did Mr. Muratalla indicate that he knew who Abdalnour Izz was?

A Yes, sir.

Q And where did you most often see Abdalnour Izz during the course of your investigation, and with whom?

A At Tannous Jewelry with Salem Tannous.

Q And did Mr. Muratalla indicate to you what his interaction with Abdalnour Izz was?

A Yes, sir.

Q Can you describe that for the Court?

A Abdalnour Izz would pick up the finished product that they stored at a storage unit off of Rogerdale and he would also drop off money to pay for the workers and rent through Khader Tannous.

Q He would drop off that money to whom, Mr. Izz?

A Oh, to Frank Muratalla. I'm sorry.
Q Do you recognize someone here in this courtroom today who's name is Mohammad Siddiqi?
A Yes, sir.
Q And can you identify him for purposes of the record, indicate where he's sitting in this courtroom today?
A Yes, sir. He's on the --

DEFENDANT TANNOUS: (Speaking in Arabic - very upset.)

MR. JOCHER: Can I ask that Mr. --

MR. DOYLE: Can I talk to him, please?

THE COURT: Yes. Let's go off the Record for a moment.

(Pause in proceedings - Defendant really upset.)

THE COURT: That really -- tell those interns to try to find a seat while this is going on. There might be seats that opened up if they want to sit.

(Pause in proceedings - Defendant escorted out of courtroom.)

MR. JOCHER: May I proceed, Your Honor?

THE COURT: Well, I don't know. Let's try to get him back in here with his lawyer. Yeah. Because I don't want to have a hearing without him.

MR. DeGUERIN: Yeah, I'm just a friend to the Court here, but I don't think his lawyer speaks the same language.

If --

THE COURT: No, we're --

MR. DeGUERIN: -- if perhaps the translator could go back with them --

THE COURT: -- maybe the interpreter can help. Please. He does speak a little English actually. He has talked to me to English. Can you -- can the interpreter please try to help them?

THE INTERPRETER: Yes, Judge.

THE COURT: Thank you. We'll just take a little short break from the Record.

COURT SECURITY OFFICER: Please rise.

THE COURT: I only want -- I don't want you running away. So I'm not leaving.

UNIDENTIFIED SPEAKER: But --

THE COURT: No, no, I'm taking a break from the Record.

(Recess taken from 3:32 p.m. to 3:34 p.m.)

THE COURT: Let's continue. It's already 3:30. Do you remember where you were? You were talking about Mr. -- trying to identify Mr. Siddiqi I believe in the courtroom.

BY MR. JOCHER:

Q Agent Semrick, do you recognize Mohammad Siddiqi as someone who's in this courtroom today?

A Yes, sir.

Q Can you identify where he's sitting for the Court?
A He's in the front row of the jury box farthest away from me.

MR. JOCHER: For the purposes of this hearing, Your Honor, the -- let the record reflect that Agent Semrick has identified Mohammad Siddiqi.

THE COURT: Any objection?

MR. SCHAFFER: None, Your Honor.

THE COURT: The record will so reflect.

BY MR. JOCHER:
Q Can you describe for the Court what Mr. Siddiqi's role was in your opinion based on your investigation?
A He's a large scale synthetic cannabinoid manufacturer and distributor.
Q After Mr. Alsalomeh had his large shipment that we just looked at, keys, who did he turn to, if anyone, for more of this synthetic narcotic product?
A Mohammad Siddiqi.
Q During the course of law enforcement conducting surveillance, did you ever encounter Alsalomeh with Mr. Siddiqi?
A Yes, sir.
Q What did you see them doing?
A We would see them meet at storage locations and public places transferring black garbage bags.

Q During the course of your surveillance of Mr. Siddiqi, did you ever encounter a woman that you came to know as Ayisha Khurram?
A Yes, sir.
Q And do you see her in the courtroom today?
A Yes, sir.
Q Can you identify her for the Court, indicate where she is sitting.
A She's in the front row of the jury box sitting to the -- between Mr. Tannous, Salem Tannous and Mohammad Siddiqi.

MR. JOCHER: Your Honor, for the purposes of this hearing, let the record reflect that Agent Semrick has identified Ayisha Khurram.

THE COURT: Any objection?

MR. KENNEDY: No, ma'am.

THE COURT: The record will so reflect.

BY MR. JOCHER:
Q Can you explain to the Court who Ms. Khurram was to Mr. Siddiqi?
A Is his mistress and also business partner.
Q Is Ayisha Khurram married?
A Yes, she is.
Q Is Mr. Siddiqi married?
A Yes, sir.
Q In fact, did you ever have the opportunity to speak to

each of them?
A Yes, sir, I did.
Q Did they admit to you that they had an ongoing romantic relationship?
A Mr. Siddiqi did admit that to me; Ms. Khurram admitted that to another officer.
Q Did law enforcement ever have any recorded calls between Alsalomeh and Mr. Siddiqi where it was clear that Mr. Siddiqi was manufacturer for Mr. Alsalomeh?
A Yes, sir.
Q I'm going to direct your attention to Government's Slide Number 15. Can you characterize the nature of Call Session 28 for the Court?
A Yes, sir. Alsalomeh received an incoming call from Siddiqi who stated that, You told me to make 100 big between O to D. The larger quantity synthetic cannabinoid packages are generally 10 or 11 grams. And then also 1000 small, which would be two and a half grams or three gram-packages.
Q Directing your attention to the same slide, but Call Session 205, can you explain what Mr. Alsalomeh is telling Mr. Siddiqi in Session 205?
A Mr. Alsalomeh is advising Siddiqi that he's making the Mr. High product too strong. The product is very, very strong. And then he also continues on, he's asking him if he's using the same chemical or the old one.

Q Okay. Did law enforcement ever have the opportunity to search Mr. Alsalomeh's cellular phone?
A Yes, sir.
Q Did law enforcement discover any evidence of his narcotics dealing relative to Mr. Siddiqi when his phone was searched?
A Yes, sir.
Q I direct your attention to Government's Slide Number 16. Can you tell the Court what we're looking at there?
A Yes, the left photo is a screen shot -- or a photograph, I'm sorry, of Alsalomeh's cell phone.
Q And can you tell the Court, and we know it's small in that photograph, but who's picture is that that we're looking at on the left-hand side saved under the contact Mo?
A It's Mohammad Siddiqi.
Q And can you tell the Court, I know that nobody can probably read that on that little screen, but can you tell the Court what the text message capture that you have displayed in Government's 16 says?
A Yes, sir. On the right side of the dialogue box in green, that's the direction of the conversation by Alsalomeh where he's asking for Geeked Up, Bob Marley, Mind Trip, Mardi Gras, and California Dreams.
Q And what are each of those things, Agent Semrick?
A Those are synthetic cannabinoid brands.

Q And who -- can you tell the Court who Mr. Alsalomeh is having that conversation with according to his cell phone?
A Yes, sir, on the top of the dialogue it states, Mo, which is identified as Mohammad Siddiqi, and also -- I'm sorry.
Q And then does Mr Siddiqi reply to Alsalomeh about the order?
A Yes, sir.
Q Does he also indicate a balance that Alsalomeh has with him for his synthetic cannabinoid dealings?
A Yes, sir.
Q Can you explain to the Court what that text message articulates there?
A That the total balance would be $318,747.
Q Did law enforcement identify a piece of property in Onalaska, Texas that was relevant to this investigation?
A Yes, sir.
Q Who purchased that piece of property?
A Mohammad Siddiqi and Ayisha Khurram.
Q Did law enforcement ever, during the course of this investigation, begin surveillance at that location?
A Yes, sir.
Q On June 4, 2015, in fact, did law enforcement observe and stop a vehicle as it was departing that Onalaska property that was owned by Ms. Khurram and Mr. Siddiqi?
A Yes, sir.

Q What, if anything, was discovered inside that van?
A There were a large amount of black garbage bags containing treated plant material.
Q Did DEA ever submit those trash bags to the DEA laboratory for analysis?
A Yes, sir, and they were found to contain Schedule 1 controlled substances.
Q Do you remember what the weight was that was being shipped out from that site that day?
A 813 pounds.
Q Who was driving that van and did he have any passengers that day?
A Sayed Ali was the driver, and I believe his front seat passenger was Jarlin Ulloa.
THE COURT: Say that again?
THE WITNESS: The front seat passenger was Jarlin Ulloa, J-A-R-L-I-N, last name U-L-L-O-A.
MR. DeGUERIN: I guess I didn't get the first name, Sayed or Ziad or --
THE WITNESS: Yes, sir, Sayed Ali. S-A-Y-E-D.
MR. DeGUERIN: It's not Alsalomeh?
MR. JOCHER: Sayed Ali's a co-defendant --
THE WITNESS: No, sir.
MR. JOCHER: -- in this case.
MR. DeGUERIN: It's not Alsalomeh?

MR. JOCHER: No.

MR. DeGUERIN: Okay.

BY MR. JOCHER:

Q Did law enforcement obtain a search warrant for the property after the after that vehicle was stopped?

A Yes, sir, they did.

Q And what was it that you discovered on Ms. Khurram and Mr. Siddiqi's property up there?

A It was a synthetic cannabinoid manufacturing site.

Q I'd like to direct your attention to Government's Exhibit Number 17, this slide. Can you tell the Court what they're looking at in those four boxes, please?

A Yes, sir. The top left photo is the U-haul van containing the 813 pounds of treated plant material driving by Sayed Ali. The house on the right is the farm house purchased by Mohammad Siddiqi and Ayisha Khurram. The bottom left photo is a barn which contained the synthetic cannabinoid manufacturing facilities. And, I'm sorry, the bottom right are stacks of the plant material and to the left are the blue tarps that are used to dry out the plant material.

Q Could you tell the Court what they're looking at in Government's Slide Number 18, please?

A Yes, the photo on the left has cans of acetone, and on the right you can catch a glimpse of the plant material on the blue tarps used for the drying of --

Q What's the acetone used for in the manufacture of this synthetic cannabinoid?

A It's used to dissolve the synthetic cannabinoid compound. It sits overnight and that way it can adhere to the plant material to be consumed.

Q I'd like to direct your attention to Government's Slide Number 19. Can you explain to the Court what they're looking at in that slide?

A Yes, that's the rear cargo doors opened on the U-haul cargo van depicting the black garbage bags with the plant material, and on the right are the two cement mixers which are used to mix the plant material with the mixture of compound and acetone.

Q And what we're looking at in the back of the van, that was the 813 pounds of Schedule 1 synthetic?

A Yes, sir.

Q Did law enforcement have the opportunity to interview Mr. Ulloa about -- was Mr. Ulloa taken into custody at that location?

A Yes, sir, he was.

Q And was Mr. Ali taken into custody?

A Yes, sir, he was.

Q Did law enforcement have the opportunity to interview both men?

A Yes, sir.

Q Did Mr. Ulloa indicate who he worked for?
A Yes, he indicated he worked for Mohammad Siddiqi and Ayisha Khurram.
Q And what did he do in that capacity as their employee?
A He manufactured the synthetic cannabinoid compound -- or products, I'm sorry.
Q How did Mr. Ulloa learn how to mix up the synthetic cannabinoid product?
A Mr. Siddiqi instructed him on how to prepare the product.
Q Did Mr. Ulloa confirm that there was a romantic relationship between Mr. Siddiqi and Ms. Khurram?
A Yes, sir.
Q And how did he know that?
A He walked in on them during a sexual encounter inside the farm house.
Q Did law enforcement have the opportunity to interview Sayed Ali?
A Yes, sir.
Q And did Mr. Ali explain who he worked for and what he did?
A He said he worked for Mohammad Siddiqi and he drove the van containing the product, and he'd also bring the plant material up to meet locations or directly to the log cabin.
Q After Mr. Ali was arrested did he ever relay law enforcement whether there were any threats to his family?

A Yes, sir, he did.
Q Can you relay to the Court what that was?
A Yes, he said two men contacted his wife, Sayed Ali's wife, and stated that if he cooperated, that she would be raped.
Q Now neither of those men who approached his wife have been identified as Mr. Siddiqi, have they? We're not saying that.
A Oh, no, sir. No, sir.
Q But he -- was it clear to Mr. Siddiqi from what he told law enforcement that this visit was in connection to his capacity as employee for Mr. Siddiqi?
A Yes, sir.
Q In September of 2014 did law enforcement execute a series of search warrants in your investigation?
A Yes, sir.
Q Did that include a search warrant on Mr. Siddiqi's residence?
A Yes, sir, it did.
Q Who lived at the home of Mr. Siddiqi?
A Mr. Siddiqi, his wife and children.
Q Did law enforcement discover any synthetic cannabinoid products during that search?
A Yes, sir, we did.
Q Can you tell the Court what they're looking at here in

Government's Exhibit Number 20 that's displayed on the screen?
A The photo on the left is how the packages were found. The packages were shipped from China. And on the right that's where they're photographed at the DEA office. One of the packages is opened, you can see the silver package which was removed from that -- the more yellow more.
Q And where inside the residence were these located?
A In the master bedroom.
Q And could you tell from where these packages had been shipped?
A From China.
Q Were there addresses on any of these packages that indicated who they were to and where they were coming from? I'd like to direct your attention to Government's Exhibit 21.
A Yes, sir, they were being shipped from China and they were addressed directly to Mohammad Siddiqi at his residence at 5434 Eagle Trace Court in Sugar Land.
Q And, Agent Semrick, did you submit those items to the DEA laboratory for testing?
A Yes, sir.
Q And did they contain synthetic cannabinoids?
A Yes, sir, they do.
Q How do they come in, were there labels that were identifying what was being shipped when they were being sent to Mr. Siddiqi?

A These were labeled -- or this package was labeled Cosmetics.
Q I'm directing your attention to Government's Exhibit Number 22. Where I have the cursor here, is that where it says, Cosmetics?
A Yes, sir, it is.
Q And does it give you an approximate value of the contents of the package to the right?
A Yes, sir, it was $15.
Q Did law enforcement ever have the opportunity to talk to Mr. Siddiqi about how much he paid for product from China?
A Yes, sir.
Q And what did he indicate he paid?
A I can't recall if it was 700 to 900 or 1,000 to 1250, but it was definitely more than $15 for cosmetics.
Q Okay. You don't have a recollection today?
A No, sir, I don't. I have it written down.
Q During the course of your investigation did you location any currency in the house?
A Yes, sir.
Q I'd like to direct your attention to Government's Exhibit Number 24. Can you explain to the Court what they're looking -- what's the Court's looking at in that photograph?
A Yes, sir. On the left is an overnight bag which contained $279,876, and on the right is a photo of a money

counter that was seized from Mr. Siddiqi's residence in the master bedroom.

Q Did you have an opportunity to talk to Mr. Siddiqi about how he was making his money during the execution of that search warrant?

A Yes, sir.

Q Did he say how he was earning his -- generating his income?

A Yes, sir, he did.

Q How was that?

A He stated he earned $1 million making synthetic cannabinoid products.

Q Based on your investigation, did you think that was a truthful answer?

A I thought it was minimized, yes, sir.

Q Was there also -- were there also cashier's checks that were located at his house?

A Yes, sir.

Q What was the total of the cashier's checks that you found?

A I believe it was over $400,000.

Q $459,573.73 sound accurate?

A Yes, sir.

Q Did you ask him what the source for the cashier's checks and the cash that were located in his house was?

A Yes, sir.
Q And what did he indicate?
A Proceeds from the sale of synthetic cannabinoids.
Q When he talked to you about engaging in manufacturing -- or the synthetic cannabinoid business, did you ask him if he was supervising any people?
A Yes, sir.
Q What did he indicate?
A That he supervised four people.
Q Did you ask him if he had any manufacturing equipment at his home?
A Yes, sir, I did.
Q And what did he respond?
A He said he did not have any at his house.
Q Did he indicate if there was any manufacturing equipment that could be located by law enforcement?
A Yes, sir, and it would be at Ayisha Khurram's residence.
Q Did law enforcement, in fact, execute a search warrant at her residence on the very say day you executed it at his residence?
A Yes, sir.
Q And did you, in fact, discover manufacturing equipment at her residence?
A Yes, sir.
Q Can you tell us what it did?

A There were two commercial sealers.
Q Okay. --
A And they're --
Q Commercial sealers doesn't quite do it for me, Agent Semrick.
A Okay.
Q What --
A They're --
Q Can you explain to the Court a little bit more, and I'd like to direct your attention to Government's Exhibit Number 27.
A Yes, sir, they're conveyor belt type machines that will seal the full packages when they're put on the conveyor belt.
Q Okay. Did you ask Mr. Siddiqi about his involvement with Ayisha Khurram in their narcotics business?
A Yes, sir.
Q What did he say that she did for him?
A That she picked up packages for him containing synthetic compounds coming in from China.
Q Does Mr. Siddiqi have any businesses that have names that you're aware of?
A Yes, sir.
Q And can you tell the Court what those two businesses are?
A I know one is 420 Smoke Shop.
Q Is Smoke 420 --

A Or Smoke 420, I'm sorry. And I believe one of the service stations is called Quick and Easy.
Q Fast and Easy perhaps, Agent Semrick?
A Or Fast and Easy, I'm sorry.
Q Is 420 a euphemism for something, Agent Semrick?
A Yes, sir, for marijuana.
Q And it's associated culture as well?
A Yes, sir.
Q When you were with -- when you were at Mr. Siddiqi's residence, did you have an opportunity to interview his wife, Sara Siddiqi?
A Yes, sir, I did.
Q Did she tell you anything about Mr. Siddiqi's activities?
A Yes, sir.
Q What did she explain to you relative to his manufacturing of synthetic cannabinoids?
A She stated that he previously manufactured synthetic cannabinoids in the garage of the -- at the residence.
Q And did she indicate that she did anything about that?
A Yes, she didn't like the acetone cans being in the garage when she learned they were flammable.
Q Did she ask him to do anything about them?
A To vacate the garage and take it somewhere else.
Q Did she say anything about the money that you located in the house that day?

A Yes, sir.
Q And what -- how did she characterize the amount of money that you found?
A She said that was a low amount for the amount of money he generally brings in, and he pretty much runs the money counter every day.
Q Did you also get to interview Mr. Siddiqi's daughter during the execution of the search warrant?
A Yes, sir.
Q Did she make any statements to you about Mr. Siddiqi's business, or what she might do on his behalf?
A Yes, she made deposits on behalf of Mr. Siddiqi, and he was advising -- he advised his daughter to keep them under $10,000, generally nine to -- 9,000 to 9,400 per deposit.
Q Did she indicate to you how he carried money home and how often she saw him do it?
A She saw him carrying in bags in -- fairly much on a nightly basis.
Q When you say bags, what are you referring to?
A Like shopping bags.
Q Did she also indicate anything about her little brother participating in any activities at home for her father?
A Yes, sir.
Q What was that?
A That he was utilized to put the money in the money

counter, and that Mr. Siddiqi instructed them to put the president's face in the right direction when he -- when the son loaded the money counter with stacks of currency.
Q Did law enforcement ever get a call to go to Mr. Siddiqi's child's school?
A Yes, sir.
Q And what was the basis for that call?
A His son, who's in middle school, was distributing currency, $20, $100 bills to fellow students.
Q Are you also aware of police responding to an assault call at the Siddiqi residence in 2011?Yes, sir.
A Yes, sir.
Q Was there a 9-1-1 call in that case?
A Yes, there was.
Q Who placed that call?
A Mr. Siddiqi's daughter.
Q And why was Mr. Siddiqi's daughter calling police to respond to their home?
A She believed that her parents were fighting in the -- in their -- at the residence.
Q When police arrive, did they have the opportunity to interview Ms. Siddiqi?
A Yes, sir.
Q Did she tell them what was occurring?
A Yes, sir.

Q And what dis she say?
A I believe that her report stated that Mr. Siddiqi was choking her around the throat and slamming her head against the wall.
Q Did Mr. Siddiqi deny that he had touched her?
A Yes, sir.
Q Did law enforcement witness any injuries that would be consistent with the events that Ms. Siddiqi was describing that occurred that day?
A Yes, sir, there was discoloration on her throat, or neck area.
Q Returning to the search of Mr. Siddiqi's residence, did law enforcement discover copies of Mr. Siddiqi's tax returns?
A Yes, sir.
Q And can you tell the Court what his -- what the tax returns were that he entered in -- what -- for income he generated in 2010, please?
A Yes, sir. It was $37,500.
Q In 2011?
A $34,060.
Q In 2013?
A $90,534.
Q And in 2014?
A $107,646.
Q Is Mr. Siddiqi's residence paid for?

A Yes, sir.
Q What's the value of his residence approximately?
A Approximately 583,000.
Q During the course of this investigation did law enforcement identify six different properties Mr. Siddiqi had purchased between 2013 and 2015?
A Yes, sir.
Q Has -- have you had the US Marshal's Office do an appraisal of those properties?
A Yes, sir.
Q Can you tell the Court what the appraised values of those properties that Mr. Siddiqi's purchase between 2013 and 2015 are?
A It's a little over $3 million.
Q In addition to his residence, did you identify an apartment that Mr. Siddiqi kept separate from his residence with Ms. Khurram?
A Yes, sir.
Q And on the date that you executed the search warrants at his house and at Ms. Khurram's house, did you also execute a search warrant at that apartment?
A Yes, sir.
Q And what did you discover at that apartment?
A There were more synthetic cannabinoid compounds in the boxes from China.

Q Relative to Ms. Siddiqi, in August of 2014 did US Postal Inspector Angela Daniel identify a package from China that was found to contain raw synthetic cannabinoid material?
A Yes, sir.
Q Did Ayisha Khurram contact the post office about that package?
A Yes, sir.
Q And did Inspector Daniel speak to Ms. Khurram about that package?
A Yes, sir.
Q Did Ms. Khurram identify for Inspector Daniel what the contents of that package were -- was?
A Yes, sir. I believe she stated it was washing powder, or washing detergent.
Q And did Inspector Daniel ask Ms. Khurram for permission to search the package?
A Yes, sir.
Q And would Ms. Khurram agree?
A No, she asked that she just send it back to China.
Q And you had said that law enforcement executed a search warrant at Ms. Khurram's residence on the same day they executed a search warrant at Mr. Siddiqi's.
A Yes, sir.
Q When they went to the residence, did -- were officers able to speak to Ms. Khurram?

A Yes, sir, they did.
Q Did they ask her if anybody else was inside the home?
A Yes, sir, they did, and she replied there was no one present.
Q And did officers begin then a protected sweep of the property?
A Yes, sir, they did.
Q Is it a one-story or two-story residence?
A Two-story.
Q What happened when the officers got to the top of the stairs inside the residence?
A Ms. Khurram alerted the officers that her husband was in one of the bedrooms.
Q And when law enforcement officers made entry into the bedroom, did they encounter her husband?
A Yes, sir, they did.
Q And did they give him any commands?
A Yes, sir, they asked him to show his hands, which he complied, and then he suddenly turned to reach behind the bed.
Q And what did officers do in response to that sudden movement?
A He was shot.
Q Was he transported to the hospital?
A Yes, sir.
Q And did he survive?

A Yes, sir, he did.
Q After Mr. Khurram was transported to the hospital, did law enforcement resume their search?
A Yes, sir, they did.
Q Did they discover any synthetic cannabinoids during the course of their search?
A Yes, sir, in Ayisha Khurram's master bedroom closet.
Q And did those -- were synthetic products from China like the products that were discovered at Mr. Siddiqi's house?
A Yes, sir, they were.
Q Were there any that were addressed directly to Ms. Khurram at the 1903 Rosewood address where she lived with her husband in Sugar Land?
A Yes, sir.
Q During the search of Ms. Khurram's residence, did law enforcement locate any tax returns that she filed with her husband?
A Yes, sir.
Q Do they have any children?
A Yes, sir, I believe two children.
Q And what are their ages?
A I believe one's --
Q Well --
A I don't recall, sir.
Q -- does 22 and 19 sound accurate?

A Yes, sir.
Q Can you tell the Court what her income was according to those returns in 2011?
A $24,404.
Q In 2012?
A $26,420.
Q In 2014?
A $90,534.
Q In 2011 did law enforcement discover that Ms. Khurram's husband was the subject of an immigration proceeding and investigation?
A Yes, sir.
Q Was Ms. Khurram interviewed by immigration officials in the course of that investigation?
A Yes, sir, she was.
Q Was she asked about whether or not she and her husband had any significant assets?
A She stated they had no assets.
Q After the search warrant was executed at Ms. Khurram's residence and her husband was shot, did she change her behavior patterns with Mr. Siddiqi?
A No, sir.
Q In fact, when the Onalaska property was purchased where that large lab was found, who drew the check that was used for closing on that sale?

A Ayisha Khurram.
Q And can you tell the Court what the amount was that she drew in that -- for that check?
A I believe it was $55,000.
Q And what's the date of that sale?
A I believe it was three months after the execution of the search warrant.
Q In December --
A Yes, sir.
Q -- 2015?
A I believe it was 2014.
Q Did you ask Mr. Ulloa, who was arrested at that location, whether or not he knew Ms. Khurram?
A Yes, sir.
Q And how did he describe her -- did he know her?
A Yes, sir, he did.
Q How did he describe her role and what she did?
A She supervised the manufacture of the synthetic cannabinoid products and she also paid their wages.
Q Between 2013 and 2015, including her home, did law enforcement identify two other properties that Ms. Khurram has purchased?
A Yes, sir.
Q According to the US Marshal's appraisal, what's the value of those properties?

A $937,000 -- or $937,835.
Q Finally, earlier this month did Ms. Khurram travel outside of this country from George Bush International Airport?
A Yes, sir.
Q Who did she leave with?
A Mohammad Siddiqi.
Q How did she pay for her ticket?
A With an American Express card.
Q Was that American Express card in the name Ayisha Khurram?
A No, sir, it was in the name of Ayisha Chaudhary, I believe is how you pronounce it.
Q When she was purchasing that ticket was she standing at the ticket counter with anyone?
A Yes, with Mohammad Siddiqi.
Q Was law enforcement watching both of them at this time?
A Yes, sir.
Q Did the -- did Ms. Khurram represent to the ticket agency, or ticket agency that she was talking to who Mr. Siddiqi was to her?
A Yes, that he was her husband.
Q During the departure was Mr. Siddiqi stopped or Ms. Khurram stopped for an outbound customs examination?
A Yes, sir, they were.

Q Did they ask her whether or not she was traveling alone or with anyone?
A She stated she was traveling alone.
Q Did they ask her -- did they ask her whether she knew anyone on the flight, yes or no?
A She stated, no, she did not know anyone. No.
Q Is that truthful?
A No, sir, it was not.
Q How much cash was she traveling with at the time?
A $6,600.
Q In addition to the real estate, are you aware of how many other vehicles that Ms. Khurram has in her name?
A Yes, sir, I believe she has four vehicles in her name.
Q Would that be a 2015 Mercedes GL 450, 2015 RS Quattro, 2015 Mercedes C300, and a 2008 Lexus 470?.
A Yes, sir.
Q Ms. Khurram in her pretrial report referred to the fact that she owned a business called Smart Car. Did that Smart Car business turn up during the course of your investigation, Agent Semrick?
A Yes, sir, it did.
Q And what was that Smart Car business located in?
A It was located in a warehouse.
Q And did you identify what that warehouse was being used for?

A Synthetic cannabinoid manufacturing.

Q Under her assets in her pretrial report, Ms. Khurram lists SS Cypress Investments, LLC (phonetic), which has an appraised value of a little over three-quarters of a million dollars. The address listed for SS Cypress Wood Investments, LLC (phonetic) is 5434 Eagle Trace Boulevard in Sugar Land, Texas. What else is at 5434 Eagle Trace Boulevard in Sugar Land, Texas?

A Mohammad Siddiqi's residence.

Q Agent Semrick, do you recognize Dr. Omar Al Nasser as someone who's in this courtroom today?

A Yes, sir, I do.

Q And is he someone who became relevant to you during the course of your synthetic cannabinoids investigation?

A Yes, sir.

Q Can you tell the Court where he is in the courtroom and identify him by where he's sitting -- whoops -- in this area?

A Yes, he's in the back row of the jury box facing closest to me.

MR. JOCHER: Your Honor, for purposes of this hearing will you let the record reflect that Agent Semrick has identified Dr. Omar Al Nasser?

MR. DeGUERIN: No objection.

THE COURT: No objection, the record will so reflect.

BY MR. JOCHER:
Q And how did Dr. Al Nasser come to the attention of law enforcement, Agent Semrick?
A Through recorded conversations involving Alsalomeh.
Q Utilizing Grand Jury subpoenas, did law enforcement obtain Dr. Al Nasser’s bank records?
A Yes, sir.
Q Has Dr. Al Nasser been in Chapter 13 bankruptcy proceedings here in Houston for the last several years?
A Yes, sir, he has.
Q And is his Chapter 13 Bankruptcy Trustee, William Heitkamp?
A Yes, sir.
Q On July 17, 2014 did law enforcement record Dr. Al Nasser as he spoke with Ziad Alsalomeh?
A Yes, sir.
Q In Recorded Session 5643, can you tell the Court what Dr. Al Nasser and Mr. Alsalomeh are discussing?
A Yes, sir, they’re discussing the deposit of $100,000.
Q And specifically I’d like to go ahead and articulate what Call Session 5643 says, Agent Semrick.
A Yes, sir. Alsalomeh asks Dr. Al Nasser if he has deposited the money yet. Al Nasser replied he deposited 50 in the bank on Memorial and he would go to the other branch on Westheimer to deposit the other 50. Al Nasser -- oh, I’m

sorry, Alsalomeh asks Al Nasser what bank does he deal with, and he replied, Prosperity Bank.

Q Do bank records reflect the cash deposit near the 17th of July into Mr. -- Dr. Al Nasser's bank records -- or bank accounts?

A Yes, sir.

Q And do that bank -- do those bank records indicate that that deposit was a total of $100,000?

A Yes, sir.

Q Along with the corresponding bank account number?

A Yes, sir.

Q On July 18 can you tell the Court what happened to that money?

A It was wire transferred to -- I'm trying to see the name of it -- the Cairo Bank in Jordan.

Q And who was that wire transfer sent to?

A It was Omar Al Nasser's brother, Mohammad Al Nasser.

Q And is Dr. Al Nasser's brother, does he work at the bank?

A No, sir, he works at the hospital that houses the bank.

Q Okay. And was there a recorded call between Dr. Al Nasser and Alsalomeh where they discuss code words?

A Yes, sir.

Q I'd like to direct your attention to Government's Slide Number 30. Can you go ahead and read Call Session 11939?

A Yes, sir. Alsalomeh stated to Dr. Al Nasser, I have something I want to give you. Someone gave me a little today. Al Nasser asked how much. Alsalomeh answered, Half, and Al Nasser responded, What does half supposed to mean? You have to teach me your code words. Do you mean 25? And Alsalomeh replied, Quarter is 25, and Al Nasser answered, Half is 50.

Q Did law enforcement also record calls that indicate Alsalomeh was having Dr. Al Nasser move money through other people besides himself?

A Yes, sir.

Q Can you go ahead and read into the record Call Session 12003 on August 24, 2012?

A Yes, sir. Alsalomeh stated to Dr. Al Nasser, There's another guy who wants to send 100,000 and I wanted to check with you first before I replied to the guy yes or no. Al Nasser asked, What do you mean, and Alsalomeh replied, What's wrong with you? Today I gave you 50,000 but tomorrow another guy has 100,000 to send.

Q Let me stop you there.

A Yes, sir.

Q On August 26 did law enforcement record another conversation between Alsalomeh and Dr. Al Nasser where they discuss the money transfer?

A Yes, sir.

Q And I'm going to direct your attention to Government's Slide Number 31, was there a corresponding bank record of a

transfer of currency out of this country to Jordan?
A Yes, sir.
Q Can you summarize for the Court Calls Session 12439?
A Yes, sir, Dr. Al Nasser advised Alsalomeh that the money will be there tomorrow. Let me see, and -- I'm sorry, it'd probably be easier just to read it, is that okay?
Q That's fine.
A I'm sorry. Al Nasser stated, The money will be there tomorrow. Alsalomeh answered, Tomorrow's good. I will talk to you tonight at the place. And there's another thing, and if you want, there's more and they will be ready on the weekend. Al Nasser replied, We will talk about it later. Can you tell him about the number. Did you see them? Alsalomeh stated that he will provide the number once he received a call. Alsalomeh continued, I told them it's the same guy who was there. They probably have your brother's number. And Al Nasser responded, They counted it at the bank and it's $50,000.
Q And were there corresponding bank records that indicated that Dr. Al Nasser had received a large cash deposit of $46,000 into his bank account and the following day wired out a little over 50,000?
A Yes, sir.
Q Did law enforcement record any other calls where Alsalomeh discussed moving money out of this country to

Jordan?
A Yes, sir.
Q In particular was there was call between -- were there multiple calls where Alsalomeh mentioned the percentage that he was paying?
A Yes, sir.
Q Who was he talking to on one of those calls?
A Al Nasser -- oh, I'm sorry, Alsalomeh's wife.
Q And what did he tell her he was paying to get money over there?
A It was 4 or 5 percent.
Q And was there another call intercepted by law enforcement where a co-defendant was asking Alsalomeh what it would cost for money to be moved out of this country?
A Yes, sir.
Q And what did he quote him?
A Four or five --
Q Well, what was the figure that the two of them discussed?
A It was a commission of 4 or 5 percent.
Q Is Dr. Al Nasser registered with the State of Texas as a money transmitting business?
A No, sir, he's not.
Q Is he registered with This Send (phonetic) to transfer money?
A No, sir.

Q In October of 2014 did the relationship between Dr. Al Nasser and Alsalomeh change?
A Yes, sir, it did.
Q As far as law enforcement knew?
A Yes, sir.
Q And did law enforcement intercept an electronic text that would correspond to Dr. Al Nasser's different feelings about Ziad Alsalomeh?
Q Yes, sir.
Q And can you characterize the nature of that text conversation and who it was with for the Court?
A He was upset with Alsalomeh and he was talking to his brother on occasion. And --
Q And his brother was where?
A In Jordan.
Q And was that the same brother you were referring to that he was transferring these tens of thousands of dollars to --
A Yes, sir.
Q -- who works at a hospital?
A Yes, sir.
Q And describe the nature of the conversation.
A One of the conversations stated, Even though I know everything about his business, meaning Alsalomeh, and he knows that the money he put in was illegal.
Q Did Dr. Al Nasser ever report these enormous cash

deposits? Or during the course of this investigation did law enforcement have the opportunity to review Dr. Al Nasser's Chapter 13 federal bankruptcy filings?

A Yes, sir.

Q And did Dr. Al Nasser ever report any of these enormous deposits that were placed into his account to his Chapter 13 Trustee?

A No, sir, he did not.

MR. DeGUERIN: Excuse me, Judge --

MR. JOCHER: Were any --

THE COURT: There's an objection.

MR. DeGUERIN: Yeah, I'm going to object to that. That assumes that there's a requirement that he report to the Bankruptcy Court after the bankruptcy. The bankruptcy was filed long before that. And it's the wrong impression. It creates a false impression.

THE COURT: What's your response?

MR. JOCHER: It's during the course of the bankruptcy, it's not after the bankruptcy. In fact, Dr. Al Nasser is still currently in the bankruptcy today.

THE COURT: Okay.

MR. DeGUERIN: That's true. He's almost discharged. But the fact is, that the declaration of bankruptcy is the cutoff point. What he earns later or what he deposits later is not required to be disclosed in the Bankruptcy Court.

THE COURT: Is that true?

MR. JOCHER: Judge, my understanding is that there was an ongoing obligation while he was discharging debts to report this income to his Trustee.

THE COURT: Okay. Well, you can cross-examine the witness about it if you want to.

BY MR. JOCHER:

Q Did law enforcement report any calls where Dr. Al Nasser discussed that Alsalomeh needed a new passport?

A Yes, sir.

Q Why didn't Alsalomeh have his passport?

A He surrendered his passport to the Western District of Texas on a federal arrest.

Q And when Alsalomeh was engaged in these discussions with Dr. Al Nasser, had Alsalomeh become aware of the fact that he was under investigation?

A I'm sorry, can you repeat that, please?

Q When Alsalomeh was engaged in these discussions about the fact that he needed a new passport with Dr. Al Nasser was Alsalomeh aware of the fact that he was under investigation?

MR. DeGUERIN: That calls for a conclusion, Your Honor, without basis for the conclusion.

MR. JOCHER: Well, we'll supply the basis for that conclusion.

MR. DeGUERIN: All right.

THE COURT: All right. You can answer based on facts that you know, but don't speculate.

BY MR. JOCHER:

Q For example, Agent Semrick, did Ziad Alsalomeh know that there had been multiple searches conducted at his place of business?

A Yes, sir.

Q Did Ziad Alsalomeh know that law enforcement had seized thousands of dollars from his businesses?

A Yes, sir.

Q Did law -- did Ziad Alsalomeh know that law enforcement had taken hundreds of kilos of synthetic cannabinoid from him?

A Yes, sir.

Q And did he know all of that during the time that he was taking to Dr. Al Nasser about the fact that he needed a new passport?

A Yes, sir.

Q Was there just one conversation that he had with Dr. Al Nasser about needing a new passport, or were there multiple conversations?

A Multiple conversations.

Q Did Dr. Al Nasser explain to him how they were going to acquire this new passport?

A Yes, sir.

Q And did it involve any Jordanian officials?

A Yes, sir, a Jordanian intelligence officer.
Q From the conversations that were recorded with Dr. Al Nasser, were they going to have to pay this intelligence officer?
MR. DeGUERIN: Excuse me, can I object? Unless there's a direct statement of a payment to an official as opposed to a non-official.
MR. JOCHER: Judge, I characterize these conversations --
MR. DeGUERIN: In other words, I'm objecting to the conclusion.
THE COURT: Okay. Overruled.
BY MR. JOCHER:
Q They've decided you can answer the question. Were they discussing the fact that a Jordanian official was going to have to be paid in order to produce this passport?
A Yes, sir.
Q In fact, was there was three-way conversation recorded between Dr. Al Nasser and then his brother where they discuss the process of getting the passport?
A Yes, sir.
Q Was there also a recorded conversation that took place after the passport was secured?
A Yes, sir, there was.
Q Who does Dr. Al Nasser say the passport has been given

to?

A To Alsalomeh's wife, Layla.

Q And can you tell from the context of that conversation where she is at the time?

A Returning for Jordan.

Q And can you read -- do you have a copy of that recorded conversation up there with you --

A Yes, sir, I do.

Q -- Agent Semrick? Can you read to the Court a summary of the first -- or read to the Court, not a summary, what that -- the first three paragraphs of that recorded conversation.

A Okay. Paragraph 1, Omar asks Ziad if he is still sleeping. Ziad says that he was at the store and he thought he was sleeping. Omar says that the passport is with Layla. Ziad says, She told him this morning and he gives thanks to Omar. Paragraph 2, Omar says that anything is possible for him, and he, meaning Omar, is looking for an opportunity to serve him. Ziad says she asked him how she should bring it, and says she will bring it with the bags. Omar says he will think of a way, probably if she places it with the youngest child. Paragraph 3, Omar asks Ziad to help -- Omar asks Ziad to help her to bring it in her purse, and if they ask her, she will tell them it's her husband's. And if she places it in a big bag, they will question her at the airport beyond the gates.

MR. JOCHER: Your Honor, the Government's previously tendered a copy of this recorded conversation to Mr. DeGuerin. I'm marking this as Government's Exhibit 3 and I would like to tender it to the Court for the purpose of this hearing.

THE COURT: Okay. Any objection?

MR. DeGUERIN: No objection.

THE COURT: All right. It'll be admitted for purpose of this hearing.

(Government Exhibit 3 marked and received into evidence.)

THE COURT: It's a transcript of a phone call. Right?

MR. JOCHER: It is, Your Honor.

THE COURT: Okay.

BY MR. JOCHER:

Q Agent Semrick, did Hazim Qadus appear in your investigation?

A Yes, sir, he did.

Q And what was that -- was that in connection to Azel Cell Phones?

A Yes, sir, it was.

Q Was there also a storage unit that was located nearby where he was seen?

A Yes, sir.

Q Can you tell the Court whether or not law enforcement

executed a search warrant on March 18 of both those locations?
A Yes, sir, we did.
Q Again, I'm talking about Azel Cell Phones and the storage unit.
A Yes, sir.
Q Where was the storage unit located relative to Azel Cell Phones?
A It was across the street. Azel Cell Phone was at 9331 Gulf Freeway, and the storage unit is 9330 Gulf Freeway.
Q Can you first tell the Court what law enforcement located during the search of the storage unit?
A We found boxes containing synthetic cannabinoid products.
Q And was that approximately -- do you remember the approximate weight that was recovered that day?
A I believe it was 40 kilograms.
Q Have law enforcement ever observed Mr. Qadus at Azel Cell Phones before the day they executed the search warrant?
A Yes, sir.
Q On one or multiple occasions?
A Multiple occasions.
Q Is there a co-defendant in this case who is also connected to Azel Cell Phones?
A Yes, sir, Ali Tafesh.
Q You know it as cell phone store. Do they sell other things besides cell phones at Azel?

A Yes, sir.
Q In fact, was it even decorated like a cell phone store?
A It was decorated more as a smoke shop.
Q I'd like to direct your attention, Agent Semrick, to Government's Exhibit Number 32. Can you describe to the Court what they're looking at in Government's 32?
A Yes, sir, on the left is a photo of Bob Marley, on one side of the interior of the store on the right is behind the sales counter. You can hardly see anything in the glass display counter, maybe like a few cells, but in the back there are bongs and glass pipes and oils.
Q While executing the search warrant did Mr. Qadus drive up and park outside the cell phone store?
A Yes, sir, he did.
Q Was he approached by law enforcement officers at that time?
A Yes, sir, he was.
Q And did he give consent for agents to search his vehicle?
A Yes, sir, he did.
Q Did they locate any narcotics inside his vehicle?
A Yes, sir, two packages of synthetic cannabinoid.
Q Were they submitted to the DEA laboratory for analysis?
A Yes, sir, they were.
Q And can you tell the Court what was -- what those packages were found to contain?

A A Schedule 1 controlled substance.
Q Was law enforcement also given permission to examine Mr. Qadus's phone that day?
A Yes, sir.
Q And did the phone number that was in Mr. Qadus's possession match any phone numbers that had been recorded by law enforcement?
A Yes, sir, the same phone number involved in recorded conversations with Alsalomeh.
Q And, in fact, did Mr. Alsalomeh identify Mr. Qadus by name during those conversations?
A Yes, sir, he did.
Q While he was utilizing that cellular phone.
A Yes, sir.
Q How did he identify him by name. If he didn't -- did he say Hazim Qadus or describe to the Court how he identified him.
A His first name, Hazim.
Q Can you characterize without -- can you just characterize the nature of the calls that law enforcement recorded that took place between Mr. Alsalomeh and Mr. Qadus?
A Yes, sir, they involved Alsalomeh providing synthetic cannabinoid products to Hazim Qadus including like shipments when they were coming in, what his portion would be.
Q I'd like to direct your attention to a call recorded on

June 24 that's in Government's Slide 36. Can you go ahead and read that top call into the record for the Court?

A It'll be a hard one, but I'll try. Alsalomeh receives an incoming call from Qadus -- or Qadus. Qadus asks, How many products do you have in the shipment you brought yesterday? Alsalomeh replied, I'm going to give you a good price, but the chemical is expensive and I will check and let you know today. Qadus stated, Man, the products are good and no customer made a complaint about it. I gave it to seven customers. This morning I gave a customer a little bit of Mr. High. The customer slammed into the glass while he was trying to enter the gas station, and Qadus laughed.

Q During the execution of the search warrant at Azel, did law enforcement discover any synthetic narcotics?

A Yes, sir.

Q Were those synthetic narcotics out in plain view so that if a customer walked into Azel Cell Phones, you would see that one of the things that they were offering for sale was synthetic narcotics?

A Oh, no, sir.

Q In fact, can you, looking at Government's 33, identify where some of the locations were that you found synthetic narcotics in that store?

A On the left photo there's three safes there we found that contained synthetic cannabinoid compound, one safe had cash as well. The photo on the right is a raised floor for the cashier area, the counter area. Packages were stuffed under there and hidden. They're also hidden in the file cabinet and there's a hidden door in the back disguised as a shelf. You open it up and there's a mini store room.

Q I'm directing your attention to Government's Slide Number 34. Can you tell the Court approximately how much cash was taken from that store and what they're looking at on the right-hand side of this photograph?

A It was $15,233 seized and on the right is -- the manager wouldn't give us the combination to the safe, so the Houston Fire Department obliged and opened it with a saw so we could get in and get the product out or the cash.

Q While law enforcement was at Azel Cell Phones that day, did -- and talking to Mr. Qadus, initially did he deny that he had any connection to Azel?

A Yes, sir, he did.

Q At some point did he change his story and admit that he did have a connection to it?

A Yes, sir, when a postal worker delivered mail while we were executing the warrant and it was addressed to Hazim Qadus.

Q At that location?

A Yes, sir.

Q Can you tell the Court approximately how much synthetic

cannabinoid was recovered during the search that day?
A I can't recall the amount, it was like between two and four kilos.
Q Nine and a half kilograms --
A Okay. I'm sorry, nine kilos.
Q -- a little more accurate, Agent Semrick?
A Yes, sir. Yes, sir.
Q Was that all submitted to the DEA laboratory for examination?
A Yes, sir.
Q And was that found to all contain a Schedule 1 controlled substance?
A Yes, sir, it did.
Q Does Mr. Qadus also own a store called Moon Mart, Agent Semrick?
A Yes, sir.
Q And was that store recently the subject of an injunctive lawsuit filed by the Texas Secretary of State against Mr. Qadus?
A Yes, sir.
Q And as a result of that lawsuit being filed, did Mr. Qadus enter into an agreement for injunctive relief where he signed a document that I'm tendering to the Court as Government's Exhibit 1. I visited with Mr. Cunningham, who's representing Mr. Qadus, and --

MR. CUNNINGHAM: I have a copy of it, Judge.

MR. JOCHER: -- he has no objections.

MR. CUNNINGHAM: No objections for this hearing.

THE COURT: No objection, for purpose of this hearing it will be admitted.

(Government Exhibit 1 marked and received into evidence.)

THE COURT: Okay.

BY MR. JOCHER:

Q As a result of that injunctive relief being sought, did Mr. Qadus agree that he would stop selling synthetic cannabinoid from Moon Mart?

A Yes, sir.

Q When he signed that document can you identify for the Court how he was identified? Did he have a lawyer representing him?

A Yes, he did.

Q Is that lawyer's signature affixed to that document?

A Yes, sir

Q Is Mr. Qadus's signature affixed to that document?

A Yes, sir.

Q And what's the title that Mr. Qadus has where he's signing his name?

A As owner.

Q Listed as registered agent, president, secretary?

A Yes, sir.

Q And does it identify the name of his corporation?
A Yes, sir.
Q What is it?
A Azel Moon Mart.
Q Azel H Corporation?
A Yes, sir.
Q Are you aware of whether or not the Houston Police Department has conducted an undercover operation about three weeks after Mr. Qadus agreed to the injunctive relief with the Secretary of State?
A Yes, sir.
Q And were they able to go into Moon Mart and did they make a request?
A Yes, sir, they purchased two packages of Climax.
Q Did they indicate anything in particular with Climax, did they ask for flavors?
A Blueberry and Apple.
Q Were any of the synthetic narcotic products visible when you walked into Moon Mart?
A No, sir.
Q Was HPD successful and able to purchase the synthetic cannabinoids that day?
A Yes, they do.
Q And that was on I believe May 5, 2016?
A Yes, sir.

Q Did -- was there lab analysis conducted on those products?
A Yes, sir.
Q And were they found to contain synthetic cannabinoids?
A Yes, sir, they were.
Q Has the Attorney General’s office since initiated contempt proceedings for Mr. Qadus?
A Yes, sir.
Q During the course of your investigation did you identify Nagy Ali as someone who owned a business called Smoke Zone?
A Yes, sir.
Q Who was the registered agent with the Texas Secretary of State for the business that did -- the dba that did business as Smoke Zone?
A Nagy Ali.
Q In August of 2015 did law enforcement make an undercover purchase at Smoke Zone?
A Yes, sir, we did.
Q And what did you purchase and did you submit it for laboratory analysis?
A Two packages of synthetic cannabinoids, I can’t recall the brand, and it came back as a Schedule 1 controlled substance.
Q In August of 2015 did you follow up with a search warrant that was executed at Smoke Zone?

A Yes, sir.
Q Did you speak with the cashier who was working there that day?
A Yes, sir.
Q When law enforcement initially approached Smoke Zone, was it during business hours?
A Yes, sir, it was.
Q And were the doors locked or unlocked when you walked up?
A They were locked.
Q Did you force entry into the store?
A Yes, sir, we did.
Q Once you were inside the store did you encounter anybody there associated with Smoke Zone?
A Initially no, sir.
Q Eventually?
A Yes, sir, we did.
Q And who was that person?
A It was Mohammed Taha.
Q Is Mohammed Taha an indicted co-defendant in this case with Mr. Ali?
A Yes, sir.
Q Were you able to speak to Mr. Taha?
A Yes, sir, I was.
Q And did you ask Mr. Taha why the doors were locked?
A Yes, sir, he stated he was instructed by the owner, Nagy

Ali, to lock the door if police were to try to enter.

Q During the search of Mr. Ali's store did you find any weapons?

A Yes, sir, there's a firearm by the cash register.

Q And did Mr. Taha identify the owner of that firearm?

A Yes, sir, he stated it belonged to Nagy Ali.

Q When you walked into Smoke Zone were there any synthetic narcotics that were on public display there?

A No, sir, there was not.

Q I'm directing your attention to Government's Exhibit Number 37. Can you describe to the Court what they're looking at there?

A That's the interior of the Smoke Zone. We an see the glass display cases with very few products, and non-Smoke Zone -- smoke shop products displayed in the back, more like a sex shop.

Q Did you locate during the course of your search any synthetic cannabinoid products?

A Yes, sir, we did.

Q And where were those located? And now I'm directing your attention to Government's Exhibit 38.

A There's some drawers underneath the cash register that contained the product. There were some bags on the floor on the counter, and then there's also an attached hidden apartment that contained more products.

Q Did you have -- was law enforcement able to get into the living area that was attached?
A Yes, sir.
Q Did you ask Mr. Taha who was living in that living space that was attached to Smoke Zone?
A Yes, sir, he stated it was Nagy Ali.
Q During the course of your search did you locate any synthetic cannabinoids in the living area?
A Yes, sir.
Q I'm directing your attention now to Government's Slide Number 39. Will you tell the Court what they're looking at in that photograph?
A Yes, sir, on the floor those are like gallon size, or quart size Ziplock bags containing synthetic cannabinoid product.
Q And in Government's Number 40?
A The same, Ziplock containing the synthetic cannabinoid products, as well as a large cardboard box behind it.
Q And did that large cardboard box contain anything?
A Yes, sir, synthetic cannabinoids.
Q And what is the Court looking at in Government's 41?
A A money counter found in the living quarters.
Q What's the significance of the photograph depicted in Government's 42?
A That's Nagy Ali's profile shot on Facebook where he's

posing for the photo in a hidden apartment.

Q Is that hidden apartment the same location where you found all the synthetic cannabinoids?

A Yes, sir.

Q During the course of your investigation was there a storage locker up in Tomball that came to your attention?

A Yes, sir, there was.

Q How did that come to the attention of law enforcement?

A The owners of the storage -- I'm sorry, the owners of the storage units contacted law enforcement to state that the individuals renting the storage units hadn't paid their rent, so they cut the locks, open the storage units, two storage units, and found boxes filled with synthetic cannabinoid products.

Q Did they alert law enforcement?

A Yes, sir, they did.

Q Did you, among other people, respond to that scene?

A Yes, sir, we did.

Q And did you search the two units that the manager identified for you?

A Yes, sir.

Q I'm showing you what's been identified -- or what we're showing -- what we're displaying at Government's 44. Can you tell the Court what they're looking at there?

A It is the interior of Storage Unit 1109 filled with boxes

that contain synthetic cannabinoid products.
Q And in Government's 45?
A The same for Storage Unit 1111, boxes of synthetic cannabinoid products.
Q Did the store manager explain to you -- or the storage unit manager explain to you any sort of confrontation that she had had with people --
A Yes, sir, she --
Q -- over those units?
A Yes, sir, she did.
Q Can you explain that to the Court?
A She stated that two of the subjects she could -- or she only saw two subjects that confronted her and the employees and they were questioning why the management, or the facility has cut the locks off the storage units, and they were angry.
Q In fact, did the confrontation draw the attention of -- or did the disturbance go noticed with -- was the disturbance noticed by another customer who happened to be there at the time?
A Yes, sir.
Q And did that customer take any photographs?
A Yes, sir, he took photographs of the two vehicles he identified show up to the facilities.
Q Were those photographs passed to law enforcement?
A Yes, sir, they were, to me.

Q I'm showing you what's been displayed as Government's 43. Can you tell the Court what they're looking at here?
A Yes, sir, the photo on the left is a Ford Raptor, which is driven by Khalil Khalil, included in this investigation, and the vehicle on the right is a vehicle registered to Mohammed Taha.
Q Did you have an opportunity to talk to Mr. Taha about this confrontation at the storage unit?
A Yes, sir, I did.
Q Did Mr. Taha, in fact, admit that he was there?
A Yes, sir, he did.
Q Did he identify the other two people that he was there with?
A Yes, sir, as Khalil Khalil and Nagy Ali.
Q And did Mr. Taha indicate who the synthetic cannabinoids found in the storage lockers belong to?
A Yes, sir.
Q Who?
A Nagy Ali and Khalil Khalil.
Q On May 17, 2016, just a couple of weeks ago, did law enforcement execute an arrest warrant at Nagy Ali's residence?
A Yes, sir.
Q During the course of the arrest did law enforcement seize anything from his apartment?
A Yes, sir, five large boxes containing synthetic

cannabinoid products.

Q I'm showing you what I'm displaying now as Government's 46. Can you tell the Court what they're looking at here?

A These are the boxes containing the synthetic cannabinoids seized from Mr. Ali's residence during his arrest.

Q In Government's 47 what is the Court looking at?

A That's one of the -- after we separated the brands, and this is -- will be submitted as a drug exhibit, it's a Scooby Snacks brand of synthetic cannabinoids.

Q And it's impossible to tell from looking at this picture, but who's depicted on the Scooby Snacks brand?

A The cartoon character Scooby-Doo.

Q And who is Scooby Snacks marketed to?

A I believe children.

MR. JOCHER: Your Honor, I pass the witness.

THE COURT: Who would like to cross-examine?

MR. JOCHER: Can we take -- does anybody object to like a five minute break?

THE COURT: If it's five minutes, we'll take a recess. But not a very long one, five minutes. Then we'll have cross-exam.

MR. JOCHER: Thank you, Your Honor.

COURT SECURITY OFFICER: All rise.

THE COURT: Any party can recess in the jury room, go in the jury room.

(Recess from 4:39 p.m. to 4:46 p.m.)

COURT SECURITY OFFICER: Please rise.

THE COURT: Thanks. Who is cross-examining first?

MR. SCHAFFER: Well, Judge, I was prepared to, but out of deference to Mr. DeGuerin's seniority, since he's going to probably be a lot briefer than I --

THE COURT: All right.

MR. SCHAFFER: -- he's going to go first and I'm just going to go next. Are you planning to work until --

THE COURT: Yes.

MR. SCHAFFER: -- 7:30, eight o'clock?

THE COURT: If we have to. Be seated. We have to finish it today. I hope we don't have to go that late.

MR. SCHAFFER: Well, I mean if there's five or six of us cross-examining, then we also -- most of us have witnesses.

THE COURT: Okay. We'll see how it goes.

MR. DeGUERIN: I'll try to be as rapid as possible.

THE COURT: Point the microphone towards yourself, please.

CROSS-EXAMINATION OF JAMES SEMRICK

BY MR. DeGUERIN:

Q Agent, is it Emrick?

A Semrick. Semrick.

Q Semrick.

A Yes, sir.

Q First, I represent Dr. Omar Al Nasser in this, who I'm going to be asking you questions on. I don't represent anybody else up here. It's true, isn't it, that he's not charged in the conspiracy having to do with the synthetic marijuana.

A Yes, sir.

Q Okay. He is charged in Counts 6 and 7, one with conspiracy to commit money laundering, two ways of conspiracy to commit money laundering, and Count 8, which charges operating an unlicensed money transfer business. Right?

A Yes, sir.

Q Okay. And the money laundering conspiracy has two manners of committing the conspiracy, the second being conspiracy to operate an unlicensed money transfer operation. Correct?

A Yes, sir.

Q All right. And now in your investigation of persons manufacturing synthetic cannabinoids, Dr. Al Nasser is not in that investigation, is he? He had no role in manufacturing synthetic cannabinoids.

A No role in manufacturing, no, sir.

Q And as far as you know he has no role in selling synthetic cannabinoids, you never got him -- surveillance in one of those convenience stores or wherever they were selling

it or anything like that, did you?
A No, sir.
Q You know from your background check on Dr. Al Nasser he is a professor at the University of Houston-Victoria in finance, a Ph.D. professor, you know that, don't you?
A Yes, sir.
Q You know he's recently married, his wife is pregnant and they just bought a house.
A Yes, sir.
Q Okay. Now his connection that you've alleged and that you've testified about is through a man named Ziad, Z-I-A-D, and I might fracture the pronunciation but it's Alsalomeh.
A Yes, sir.
Q And you call him here in the testimony Alsalomeh. Correct?
A Yes, sir.
Q And you thoroughly investigated this guy, haven't you?
A Yes, sir.
Q He is a Jordanian. Right?
A Yes. Yes, sir.
Q And you know that he was convicted in San Antonio, Texas in the Western District of Texas, spent a small amount of time, 20 months I believe, in custody over a cigarette, untaxed cigarette deal.
A Yes, sir.

Q You also know that he was an illegal alien, that is he was in the country illegally while he was being -- while he was serving his sentence and later while he was on supervised release. Right?

A I was not aware of that, no, sir.

Q Okay. Let me --

(Pause in proceedings.)

BY MR. DeGUERIN:

Q I'll show you a couple of things first. I'm not sure that you've seen these, but these are official records of the Court. I'll mark as Defense Exhibit 1 the Report on Offender Under Supervision in the Western District of Texas with Ziad Alsalomeh as the defendant, and it's a document that -- the bottom line is that his term of supervised release on the -- his conviction in San Antonio was to expire on June 27, 2013. Right?

A Yes, sir.

Q Okay.

MR. DeGUERIN: We move to introduce Defendant's Exhibit 1 into --

MR. JOCHER: No objection, Your Honor.

THE COURT: It's admitted for purpose of this hearing.

(Al Nasser Exhibit 1 marked and received into evidence.)

BY MR. DeGUERIN:

Q And for Defendant's Exhibit 2 there's a document that's called Government's Motion to Detain and/or Depose Material Witness filed in this Court, in the Southern District of Texas, and, in fact, an order signed by Judge Stacy. I'll get the signed order in a moment. Let me show you this. About how the Government, through Joe Magliolo, Assistant US Attorney, alleges that there's a substantial likelihood that Alsalomeh will be deported and must be unavailable to testify at a trial. Do you see that?
A Yes, sir, I do.
Q Okay. It also alleges that in May of 2010, on his release from federal detention center, Alsalomeh was put in the Immigration and Customs Enforcement Detention Center pending deportation. Right?
A Yes, sir.
Q Were you aware that he became a Government witness for Mr. Magliolo, for this US Attorney's office for a period of time?
A Yes, sir.
Q Okay. And what this document --
MR. DeGUERIN: And we move to introduce Defendant's Exhibit 2, Your Honor, a document of this Court.
BY MR. DeGUERIN:
Q This document sets out is that the Government didn't want to see him deported, they wanted to use him for a while as a

witness. Right? I think --

A That sounds --

Q -- I fairly summarized it.

A Well, I just see on here where it says, If deported. And a lot of times, you know, they don't deport individuals with multiple waivers.

Q Do you know enough about deportation that sometimes a person is ordered to leave the country or they will be forcibly deported?

A Yes, sir.

Q Okay. And so let's keep the date in mind here. In September of 2010 the Government files a motion to detain him to depose him. It states he's inside the border.

THE COURT: You don't object to Exhibit 2, do you?

MR. JOCHER: Mr. DeGuerin shared with me a number of exhibits related to court documents with Ziad Alsalomeh, and the Government has no objection to any of them, Judge.

THE COURT: Will you tell me the numbers?

MR. JOCHER: The exhibits weren't numbered at the time, so I can't give the Court a --

THE COURT: Okay. So this is one of them, and two's admitted for purpose of this hearing.

(Al Nasser Exhibit 2 marked and received into evidence.)

MR. DeGUERIN: Yes, Your Honor, and I'll number them as we go along.

THE COURT: But --

BY MR. DeGUERIN: Okay.

Q Government's Exhibit 2 is the Motion to Detain and Depose Alsalomeh as a material witness.

A Yes, sir.

Q Okay. Government's Exhibit Number 3 is a document signed by Judge Stacy on September 23, just 13 days after this one was filed in which she orders that Alsalomeh be detained pending a deposition to be -- to take place in the next few days.

(Al Nasser Exhibit 3 marked for identification.)

BY MR. DeGUERIN:

Q And that's in September of 2010. Right?

A Yes, sir.

Q All right. Now the next one I want to show you is an order setting conditions of release. And the same number --

THE COURT: Can you --

THE CLERK: Please share that microphone. Thanks.

BY MR. DeGUERIN:

Q Yeah, and the same number, and Alsalomeh -- the -- Judge Stacy had just ordered him detained and here in October, about a month later, there's conditions of release for Alsalomeh in the same number. Do you see that?

A Yes, sir.

Q That's --

MR. DeGUERIN: I'll mark that as three, Your Honor, and move to introduce it.

THE COURT: All right. For purposes of this hearing --

MR. DeGUERIN: Excuse me, it'd be four. Excuse me, four.

(All Nasser Exhibit 4 marked for identification.)

MR. JOCHER: Judge, I don't oppose Mr. DeGuerin just proffering all these, rather than having the witness do them, if it would expedite things. I mean if you want to do that --

MR. DeGUERIN: I think I could do it quicker this way. Thank you for the help.

THE COURT: Let him do it the quickest way.

MR. JOCHER: Yes.

MR. DeGUERIN: I do want to do it the quickest way also.

BY MR. DeGUERIN:

Q Let me point to you on Defendant's Exhibit 4 where the conditions are checked off for his release. He's -- on the left side of the potential conditions there's a place for the Court to check off what's required, and I want to direct your attention to Number G where it says, Surrender US passport or foreign passport. That is not checked, so he was not required to do that. Right?

A No, sir.

Q And H where it says, Obtain no passport, again, that was not required of him. It meant that he was free to obtain a passport if you read this correctly. Right?

A Yes, sir.

Q All right. And that was in October of 2010. Now let me refer you back to Exhibit Number 1. Do you see where it says here that his conditional release, that is his supervised release on his sentence was to expire on June 27, 2013.

A Yes, sir.

Q And Judge Fred Biery signed that order approved as submitted that he's going to be released on -- in 2013. Okay. Now an order signed by Judge -- Magistrate Judge Steven Smith -- this will be five I believe -- on August 25, 2014. Now we're up into the time just past when you have some conversations that were intercepted between Al Nasser and Alsalomeh. Right? And here it says that the conditions of release that we've just looked at will be terminated on August 25, 2014, signed by Judge Smith. Correct?

A Yes, sir.

MR. DeGUERIN: That's number 5, Your Honor.

THE COURT: It's admitted.

(Al Nasser Exhibit 5 marked and received into evidence.)

MR. DeGUERIN: And just in case there's no -- if there's any question about it, here's the control order which we'll mark as six now, Your Honor, that has -- it outlines the whole thing that happened in the case.

THE COURT: All right. They're all admitted for purpose of this hearing.)

(Al Nasser Exhibits 1 through 6 received into evidence.)

BY MR. DeGUERIN:

Q Now let's put this together. The intercepted conversations you have between Alsalomeh and Al Nasser all occur in what month?

A I believe it was August of 2014.

Q Okay. But before the order releasing him from his conditions of release. Correct?

A Yes, sir.

Q Do you have any conversations in which Alsalomeh says to Dr. Al Nasser, Will you please illegally get me a passport? Do you understand my question?

A Yes, sir, I'm just -- to me buying a passport through a Jordanian intelligence office would be considered illegal without saying the word illegal.

Q Well, and, in fact, in that transcript that's been introduced, you're familiar with the transcript. Of course it's translated, isn't it?

A Yes, sir, it is.

Q Because the conversations were in Arabic.

A Yes, sir.

Q And you understand -- do you understand enough about the

Arabic language that there are often multiple translations of the same word, depending on the context?

A Yes, sir.

Q Okay. In that transcript there is never a word said about money being given to bride a member of the intelligence, is there?

A That transcript, no, sir.

Q Do you have a transcript where there is some -- such a word?

A There's a discussion of paying $1500, not a bribe but -- it's not specifically said bribe.

Q And that's $1500 to someone that was waiting in line for their place in line. Right?

A I don't recall that part.

Q You know enough about the way passports are issued in Jordan to know that there's often a long waiting long?

A No, sir, I'm not aware of that.

Q Okay. You do know, don't you, that, in fact, a valid Jordanian passport was issued to Alsalomeh.

A Yes, sir.

Q Have you seen that?

A No, sir, I have not.

Q I'm going to show you a picture of it in just a minute.

A Okay.

Q And you know through your intercepts that Alsalomeh's sister traveled from Jordan to the Houston area to give it to him. Correct?

A I thought it was his wife.

Q Wife?

A It might have been --

Q Wife or sister.

A Yes, relative.

Q Someone else in Alsalomeh's family brought the passport to him. Right?

A Yes, sir. Yes, sir.

Q From the documents that I've shown you, there was no prohibition under any court here that Alsalomeh -- no prohibition for him getting a Jordanian passport, was there?

A Can I look back at --

Q Sure.

A -- Number 1?

Q It's not Number 1, it's the one that has the conditions of release.

A Okay.

Q Where the boxes are not -- some boxes are checked and some are not.

A Yes, sir.

Q And the check -- the box --

A That's right.

Q The box about surrendering a passport is not checked and

the box about don't get a new passport is not checked.
A Yes, sir.
Q Okay. Satisfied?
A I'm not sure what the conditions of release from San Antonio -- because I was under the impression that he had to surrender his passport, and generally they tell them they can't obtain another passport.
Q Well, you see the orders here, the orders that were in effect in that supervised release in San Antonio went out of effect in 2013. You saw that, didn't you?
A Yes, sir.
Q He was released. And then -- but because the US Attorney's office feared that he would be deported before they could use him as a witness against somebody else, they filed a motion to keep him here so he could be a witness.
A Yes, sir.
Q Right?
A Yes, sir.
Q And he was on that motion from 2010 until 2014 when that expired.
A Yes, sir.
Q Those -- that's a fair summary of the documents I've just shown you. Right?
A Yes, sir. Yes, sir.
Q So after August 25, whatever the date is there, Alsalomeh

was under no order not to get a passport, not to use a passport, not to do anything, unless there is an order of deportation. Right?

A Yes, sir.

Q Okay. Now some time after October, October or after, is when from the intercepts that you got, you and the other officers figure that there have been some kind of falling out between Dr. Al Nasser and Alsalomeh.

A Yes, sir.

Q Maybe having something to do with money.

A Yes, sir.

Q Did you figure that out?

A Yes, sir.

Q Okay. And in one of those conversations, what's said is something to the effect that he knew what his business was and I didn't know what his business was. I mean that's a fair reading of that, isn't it?

A No, sir, the way I saw it as interpreted for us was that he knew his business and the funds that he deposited -- or laundered were made legal. That's how he --

Q Funds that he deposited. And I'm going to get to that just for a minute.

A Yes, sir.

Q But I can't recall exactly what it is, and it's a translation, it's not the actual words, is it?

A That's correct.

Q And the effect of it is that Dr. Al Nasser is saying to his brother he knew, meaning Alsalomeh, knew what his business was. Right?

A I took it as Dr. Al Nasser is telling his brother that he knew what his business was, Alsalomeh's business.

Q And we're using persona pronouns without identifying who he is. Dr. Al Nasser is talking to his brother about Alsalomeh. That's for sure, isn't it?

A Yes, sir.

Q And in that it's translated as he knew what his business was. That's --

A Yes, sir.

Q -- Dr. Al Nasser saying to his brother, He knew what his business was. From that, isn't it a fair reading that he, that Al Nasser is saying that Alsalomeh knew what his business was, but I didn't.

Q That's not the way it was translated for us.

A I know it's not the way you read it, but that's as fair as any other translation, isn't it?

A I don't know. I'm not an expert in the Arabic language, so.

Q And I'm sure we'll hash this out if and when this goes to trial.

A Yes, sir.

Q But let me get you another subject. The total amount of money that you could trace that Alsalomeh gave to Dr. Al Nasser was what?
A I don't recall the exact amount, but I believe it was over $400,000.
Q Well, let's add up what you've brought before us. There's some talk about a 30,000 and a 20,000 and a something -- there was some smaller amounts, and then there's two discussions of $100,000. So that's maybe 300,000. Right?
A Yes, sir.
Q Now we're quibbling over --
A Well --
Q -- money, but the point is every penny of it went into Dr. Al Nasser's bank account, didn't it?
A I believe so, yes, sir.
Q You haven't seen -- you haven't seized any cash money from Dr. Al Nasser.
A No, sir.
Q You haven't seized any Kush or whatever that stuff is called --
A Yes, sir. No, sir, we haven't.
Q -- from him. You don't have any evidence that he's involved in that. And every penny that he got from Alsalomeh was put in the bank. Right?
A Yes, sir.

Q And that means that there's a record of it.
A Yes, sir.
Q Now after the money got to Jordan -- there was two transfers. Right?
A Yes, sir.
Q Two transfers of 100,000 each.
A Yes, sir.
Q And after the money got to Jordan to whom did it go?
A To his brother.
Q To Dr. Al Nasser's brother.
A Dr. Al Nasser's brother, yes, sir.
Q For delivery to what? Did you trace it any further than that?
A Just that we have recorded calls that it would be going to family members related to Alsalomeh.
Q Okay. So it's Alsalomeh's -- well, basically what you've got with that is that Dr. Al Nasser transferred at Alsalomeh's request $200,000 to Jordan to go to Alsalomeh, or to someone in his family. Right?
A Yes, sir.
Q And charged 4 or 5 percent for doing that.
A Yes, sir.
Q Now you've mentioned that there was other conversations in which Alsalomeh asked Dr. Al Nasser to do the same thing for somebody else.

A Yes, sir.
Q But you never saw any other transaction, other than ones that you've testified about. Isn't that right?
A Not that I can recall.
Q Well, you could recall it. I mean there's nobody else that you've got giving money to Dr. Al Nasser to transfer over to Jordan. Right?
A Yes, sir.
Q And this happened in a very short time frame, didn't it?
A Yes, sir, it did.
Q From other intercepts you know that the time frame that Dr. Al Nasser knew Alsalomeh was likewise a short period, don't you?
A Yes, sir.
Q Maybe a couple of months at most.
A Yes, sir.
Q Right? Okay. Now let's wrap that up. At very best what you've got it an unlicensed money transfer operation with two transfers of money, number one. Right? We got that.
A I believe there are more transactions, but, yes.
Q Well, what other transactions are there?
A I don't have them with me, but I thought there were other transactions involving Dr. Al Nasser and Alsalomeh.
Q And --
A I thought there was a 50,000 one, maybe two $100,000

transfers.
Q Well, there was a dispute between Dr. Al Nasser and Alsalomeh over $50,000 that was lost in a stock transaction.
A Yes, sir.
Q Okay. Is that what you're talking about?
A No, sir. I thought we just had one on a slide where it showed $50,000 going to the -- to Jordan.
Q Well, okay. So what you've got is, you've got some money transfers to Jordan during a very limited period of time and only for Alsalomeh. Right?
A Yes, sir.
Q I mean you don't have Dr. Al Nasser being a money launderer or a business that sends money illegally over to some place over a long period of time, you've got two, maybe three transactions. Right?
A Yes.
Q And inconsistent with wanting to be stealthy about it, you've got the money going through Dr. Al Nasser's bank account. Right?
A Yes, sir.
Q Okay. Now let's talk about his stability. You know that he's, I've already said this, recently married, his wife's pregnant. He's been to Jordan because that's where he came from, been to Jordan to his wedding, went to Jordan for his engagement party. You're aware of all that, aren't you?

A Yes, sir.
Q But he is a United States citizen, isn't he?
A Yes, sir.
Q Are you aware of the large family support that he has, his wife's father is here, his wife's mother is here, he's well-respected in the community. Stop me if I say something that's incorrect. And he's well-respected by others in the community, not just the Jordanian community, but where he teaches and so forth. In all your investigation that's what you turned up, isn't it?
A We didn't investigate his family ties or --
Q Okay. Fair enough. Well, let me say this, the Pretrial Services recommends a $50,000 bond with conditions, monitoring and electronic stuff and so forth like that. That's reasonable, isn't it?
A Sounds like it.
MR. JOCHER: Your Honor, that's an improper question for the witness.
THE COURT: No, it's not, overruled.
BY MR. DeGUERIN:
Q You don't see him fleeing, do you?
A Well, he secured a passport by contacting a Jordanian official and laundered -- or wired money over to Jordan. That gives me concern that he would flee.
Q And what the Court could do about that is to order him to

surrender his Jordan -- he has a Jordanian passport, he also has a US passport, I have possession of both of them -- order that to be surrendered, or electronic surveillance, electronic monitoring, reporting to the Pretrial Services, there are all kinds of conditions that can address whatever concerns you have, aren't there?

A My concern would be obtaining a passport, although you have these documents here, I spoke to Pretrial and they said the Western District still has his Jordanian passport, that he was able to obtain another one. And he's got connections with a Jordanian intelligence officer to obtain another passport. That would be a concern of mine.

Q Okay. You don't have any evidence that he told Dr. Al Nasser, Hey, they got my passport, I need to get another one.

A No, sir, I do not.

Q He just asked for assistance because Dr. Al Nasser's brother was in Jordan. Right?

A Yes, sir.

Q Okay. And if you read through that transcript of what they're talking about in the three-way when it's Dr. Al Nasser and his brother in Jordan and Alsalomeh, they're simply talking about what can be done, who can be talked to, not bride, but who can be talked to about how to speed up getting the documents. Right?

A Kind of like English can have multiple translations,

somebody who can be talked to, that could be a bride.
Q Okay. Well, if I go to the -- if I go down to the post office and there's a long line waiting to -- waiting to apply for a passport, I go up to the person who's the second in line and say, Here -- here's 50 bucks, can I take your place in line?

THE COURT: Okay. What's the problem?

MR. JOCHER: Oh, he needs to go -- I think he needs to go to the bathroom, Your Honor.

THE COURT: Is that right? Let him go. Please. Let's just -- everybody stand up and stretch your legs while this is happening. We'll go off, take a real short recess in place.

(Recess from 5:17 p.m. to 5:20 p.m.)

THE COURT: You may continue.

MR. DeGUERIN: What did I do last?

THE WITNESS: I think we were talking about a few things.

THE COURT: If you went to the post office and there was a long line, and you went to the front of the line and --

CROSS-EXAMINATION OF JAMES SEMRICK (CONTINUED)

BY MR. DeGUERIN:
Q And I paid 50 bucks to somebody to let me jump the line. That's not bribing an official, is it?
A No, sir.

Q Okay. Let me show you one other exhibit here.

(Pause in proceedings.)

MR. DeGUERIN: Is the next number six or seven?

THE COURT: Six.

THE WITNESS: No, this one's six right here.

MR. DeGUERIN: Okay. So we've got six up there?

THE WITNESS: Yes, sir.

MR. DeGUERIN: All right. Seven then.

THE COURT: Okay.

MR. DeGUERIN: Seven's the photograph. Do you have any objection to seven? It's the --

MR. JOCHER: No objection.

MR. DeGUERIN: Okay. I would move to introduce seven, but let me --

THE COURT: It's admitted.

MR. DeGUERIN: -- run through it real quickly.

(Al Nasser Exhibit 7 marked and received into evidence.)

BY MR. DeGUERIN:

Q This just came into my possession today after talking to Tia (phonetic), who's in Jordan, and will -- is willing, by the way, to hook up with a telephone to the Court today, Your Honor, even though --

MR. JOCHER: Are you talking about our fugitive in this case?

MR. DeGUERIN: Yes, yes. He'll --

MR. JOCHER: You've located him for us, Mr. DeGuerin?

MR. DeGUERIN: I did. And I talked to him, I have a recording of his voice and I have someone who recognized his voice who will testify in a moment, so we can call him.

BY MR. DeGUERIN:

Q This is the person that you recognize as Ziad Alsalomeh, isn't it?

A Yes, sir.

Q And that's the first page of his passport. Do you recognize -- you haven't seen this before, but --

A No, sir, I have not.

Q -- does it look like a Jordanian passport?

A Yes, sir.

Q Do you see the date of issuance, 21 August 2014?

A Yes, sir.

Q That's right when those conversations are going on.

A Yes, sir, they are.

Q Correct? And here's the second page, the date of the stamp of the admission to Jordan is 29 June 2015. Correct?

A Yes, sir.

Q And let's put that together. At the time that the Jordanian passport was issued, there was no prohibition that you know of for him to apply for a passport, was there?

A No, sir.

Q And at the time that he went to Jordan, 28 June 2015, now almost a month -- almost a year ago, there was no warrant, no requirement that he could not go there, was there?

A No, sir.

Q In fact, there was an order of deportation, as these documents indicate, there probably was, then he was completely -- there's noting to keep him from going to Jordan, was there?

A No, sir.

MR. DeGUERIN: I'll pass the witness.

MR. SCHAFFER: Pass to me?

THE COURT: Yes.

MR. JOCHER: Judge, can we do each defendant one at a time, other than --

THE COURT: You want to redirect about that, is that what you're saying?

MR. JOCHER: No, actually I'd just rather like -- I'd rather just have -- Mr. DeGuerin and I have the opportunity just to close out on dealing with Dr. Al Nasser, and then move on to the next defendant.

THE COURT: So you want to call his witness?

MR. DeGUERIN: Yes --

THE COURT: Is that what you're saying?

MR. DeGUERIN: -- I would suggest that.

MR. JOCHER: I'd like to -- if we can do each of --

THE COURT: All right.

MR. JOCHER: -- these defendants that way, I'll have time to just --

THE COURT: Do you want to take a break?

Let's go get his witness, Beverly, please.

Who is it, what's his name again?

MR. DeGUERIN: Alex -- it's actually Husain Ali Batayneh.

THE COURT: Batayneh.

MR. DeGUERIN: He spelled it earlier.

THE COURT: Yes. We'll take him out of order.

MR. DeGUERIN: Judge, can I confer with my client?

THE COURT: You may. At any time.

(Pause in proceedings.)

THE COURT: Okay. You've already been sworn.

THE WITNESS: Yes, ma'am.

THE COURT: So go walk through the courtroom and please have your seat on the witness stand. And Mr. DeGuerin is calling you as his witness. Okay. And hearsay is allowed at these sorts of hearings, so --

MR. DeGUERIN: Will you tell --

THE COURT: It is permitted.

MR. DeGUERIN: Thank you.

DIRECT EXAMINATION OF HUSAIN ALI BATAYNEH

BY MR. DeGUERIN:
Q Will you tell the Court your name, please?
A My name is Hussein Ali Batayneh.
Q And you're going to have to spell that for the Court for me.
A First name H-U-S-A-I-N, middle name Ali, last name B-A-T-A-Y-N-E-H.
Q And you have adopted the name Alex out of simplicity. Correct?
A Yes, sir.
Q How long have you been in the United States?
A Twenty-six years.
Q And are you an American citizen?
A Yes, sir.
Q What's your education?
A I have a masters degree in education.
Q For TSU?
A Yes, sir.
Q Did you play football there?
A Yes, sir.
Q What is your business now?
A I'm in the security business.
Q Meaning --
A Camera system surveillance alarm.
Q Okay. I was going to ask you whether you meant like you

go to a stock broker and buy securities or whether it's a security system that protects against burglary.

A Yes, sir, protection.

Q I wish I'd had you a week ago.

THE COURT: Okay. Use the microphone, please, Mr. DeGuerin, so everybody can hear you.

BY MR. DeGUERIN:

Q Is there a large Jordanian community in Houston?

A Yes, sir.

Q And are you knowledgeable about that large Jordanian community?

A Yes, sir.

Q How is Dr. Omar seen in the community?

A Very well known person, very highly respected by the community, very nice individual, he extends his hand to everybody for help, an outgoing person, he also see to a lot of people. And everybody likes him in the community. That's why you see too many people that came for him, to stand behind -- next to him.

Q We are all aware that there is a large contingent in the courtroom. Are most of the folks back here to support Omar?

A I think about 90 percent of the people here support Omar.

Q Okay.

A And there's a lot of people they left and there's a lot of people that could not come into the court because it was full. And that on such short period of time, that not too many people there knows that there's court today.

Q Okay. Among those here is his wife, his father-in-law, his mother-in-law, and other friends and relatives?

A Yes.

Q Now do you also know Ziad Alsalomeh?

A Yes, I do.

Q How long have you known him?

A Twenty-five years.

Q Did you know that he was involved in selling illegal drugs, if he is?

A Never.

Q Have you talked to him recently?

A Yes, I did.

Q Tell the Court what your relationship is with Alsalomeh.

A We share the last name from the family. Not my first cousin, it could be second or third cousin to my father --

Q All right.

A -- Mr. Ziad.

Q Well, your last name is not the same. You're -- so explain that to the Court. I know there are tribes that are more important sometimes than family lines and more important than borders. But explain that briefly to the Court.

A When you say Albatayneh family, you pronounce it Albatayneh. It could be B-A-T-A-Y-N-E-H or B-A-T-A-I-N-E-H.

Some people, they're saying Albatayneh, A-L-B-A-T-A or E-L-B-A-T-A, but they all means Albatayneh family. The same last name, but the first in many different ways.
Q Okay. So you're distantly related to Alsalomeh? Ziad?
A I know him very well, he's from the family.
Q Okay.
A I think my father and his father be first cousin, so he's, what, my second cousin to me.
Q All right. Have you and others, and the close friends of Omar been in contact just recently with Alsalomeh?
A Just five hours ago.
Q All right. Did you talk to him on the phone?
A Yes, I did.
Q And did you talk to him on the phone in my office?
A Yes, I did.
Q At my direction?
A Yes, sir.
Q And did I feed you with some questions to ask him?
A Yes, some.
Q Okay. And did we record that?
A Yes, sir.
Q Did he express a willingness to talk to the Court via long distance telephone call?
A Yes, sir.
Q And to the talk to the prosecutor?

A Yes, sir.
Q Here in court today?
A Yes, sir.
Q So is he standing by as far as we know if we can hook --
A Yes, sir.
Q -- hook that up. Secondly though, did he tell you specifically whether at the time Dr. Al Nasser transferred money for him, whether Dr. Al Nasser knew that it was from his, that is Alsalomeh's business selling synthetic marijuana?
A No, Ziad said that Mr. -- Dr. Omar Al Nasser, he knew nothing about the source of the money, and he did not know they came from any illegal sources.
Q Okay. Do you know about the process of applying for a passport in Jordan?
A I do.
Q Tell the Court what you know about it.
A If you eligible to get a passport in Jordan, you can get one. You don't have to be there to get one. Anybody can get you one, but you have to eligible. You cannot get a passport in Jordan if you are not eligible to get a passport. It doesn't matter how big are you in the government or who you know, you can't get one.
Q And let me stop you just a second just to clarify a word that you're using and your pronunciation of it. It's the word eligible. Is that correct?

A Eligible, yes.
Q But you say it a little bit differently just because of your accent.
A Yes, sir.
Q All right. So go ahead, finish your answer.
A If you have a passport and it expired 10, 15, 20 years ago, you would be allowed to get a new passport. It's very simple, it's your right. If you never had a passport before, if you're not eligible to get a passport, you will not get a passport in Jordan. Ziad has been in the country for I think 35 years. His passport been expired for --
Q Sit down a second. He'd been I the country for how many years?
A Thirty-five years.
Q All right.
A And --
Q But he's not a citizen?
A He's not a citizen, no.
Q All right.
A Neither he has any paperwork, that's to the best of my knowledge. And when Ziad decided to leave the US, Houston, he called his sister, his older sister, and the reason he called his sister, because Ziad brothers, all their brothers in Houston. He has nobody there to depend to. So he called his sister, he asked her to go get a new -- or get him a passport

and he could travel. His sister told him that she is too old for that and she's not familiar how the procedure to obtain a passport. So she asked him if he could call someone to help him. So that's when Mr. Ziad asked Dr. Omar if he could help his sister to get a passport. So I believe Mr. Omar called his brother and asked his brother if he could go with the old lady to the passport building and get him a passport.

Q Okay. Now did you know, until this indictment came out, that Ziad Alsalomeh was either wanted or suspected of crime?

A No.

Q All right. In the conversation that took place in my office today on the telephone, did Alsalomeh indicate to us that he would talk to the Court via the telephone?

A Yes, sir.

Q Okay.

MR. DeGUERIN: Pass the witness. I do have a phone number that we can reach him. And his -- and let me establish this.

BY MR. DeGUERIN:

Q Did you recognize his voice on the telephone?

A Yes, sir.

Q Have you talked to him on the telephone on many occasions before?

A Many occasions.

Q Is there any doubt in your mind that the person that we talked to, that you talked to and that we recorded was Alsalomeh?

A He is Alsalomeh and I have six, seven people also that could --

MR. JOCHER: We don't even need to go down this path, because I'll concede that he may have spoken to Ziad Alsalomeh. It makes no difference to me.

THE COURT: Okay. Great.

MR. DeGUERIN: Pass the witness.

THE COURT: You may cross-examine. Please get the microphone closer to you.

MR. JOCHER: I project pretty well, Your Honor, but okay?

THE COURT: Yeah.

CROSS-EXAMINATION OF HUSAIN ALI BATAYNEH

BY MR. JOCHER:

Q Can you tell me your name again, please, sir?

A Husain Batayneh.

Q Mr. Batayneh, how long have you known Mr. Alsalomeh?

A Since I came to this country --

Q How long ago was that?

A -- that was in 1990, about 26 years go, 26.

Q Okay. And so what is your -- how well do you know Mr. Alsalomeh?

A I know him, but not that he was friend, but I know him.

Q And did you know his business and what he did here in the community?

A Yes, I know.

Q And you knew he had a cell phone store?

A Yes.

Q And did you know that he was associated with Dr. Al Nasser?

A At some point, yes.

Q You knew those two were friends?

A Yes.

Q And in your opinion is Mr. Alsalomeh involved in narcotics trafficking?

A Say that again, I'm sorry?

Q Is Mr. Alsalomeh somebody who's credible?

A I never knew that he was doing something illegal. I never knew about that till this happened.

Q And in your opinion is he somebody who's honest?

A I can't say yes or no. I don't have -- I don't know him that deep.

Q Well, you helped Mr. DeGuerin secure a copy, or a faxed copy of a passport that you're representing to the Court is legitimate and should be trusted and authenticated.

A Yes, because really why I came --

Q And that came from Mr. Alsalomeh. Right?

A Yes, and --

Q And so we -- you're telling the Court that they should believe that he's submitting accurate documents. Correct?

A Of course, I mean --

Q And you're telling the Court that they should believe when Mr. Alsalomeh says that Mr. Al Nasser didn't know anything about the narcotics trafficking business.

A I believe this.

Q Even though we have an electronic interception that the exact translation is, I knew everything about his business and the money he put in was illegal?

MR. DeGUERIN: Excuse me, I believe that's a mis-statement right there.

MR. JOCHER: Well, I can provide the Court a copy of the electronic translation, and that is it verbatim.

THE COURT: All right. Do it.

MR. DeGUERIN: I'd like to ask that the actual recording be played so the witness can translate it.

THE COURT: Do we have it?

MR. JOCHER: It's an electronic message, Your Honor, there is no audio with an electronic message --

THE COURT: Okay.

MR. JOCHER: -- I mean not electronic -- text message.

THE COURT: It's like a text message.

MR. DeGUERIN: Well, if it's a text --

MR. JOCHER: And I have --

MR. DeGUERIN: -- that's in Arabic -- and if it's in Arabic, he can read Arabic, he's read two other Arabic messages that Mr. Jocher was kind enough to show me earlier, and that we're not going into that, or at least he said he's not going into it, but I had him look at those. He can read --

MR. JOCHER: This isn't going to be dispositive about whether or not -- I don't think the Court is going to hold him, so let me just move along.

THE COURT: All right. Well, anyways, this questioning is cross-exam and the way the question is presented is up to the cross-examiner and your objection's overruled.

BY MR. JOCHER:

Q Based on your information did you know that Mr. Alsalomeh was a major synthetic narcotics distributor here in Houston?

A No, I -- no, sir.

Q Do you ever believe that to be true?

A I can't answer that one.

Q Do you recognize Mr. Alsalomeh when you see him in photographs?

A Yes.

Q All right. I'm showing you what's been displayed on the monitor as Government's Exhibit Number 16.

(Government Exhibit 16 marked for identification.)

BY MR. JOCHER:

Q Can you see that?

A Yes.

Q Who is that a picture of?

A That's Mr. Ziad Alsalomeh.

Q And I'm showing you next a picture in Government's Exhibit Number 27.

(Government Exhibit 27 marked for identification.)

BY MR. JOCHER:

Q Can you see the man in that photograph right there?

A Yes, but it's not clear.

Q Okay. If I told you there was a confidential source who was in there and took that photograph and said that's Mr. Alsalomeh, does that look like him to you?

A It's too far to see really.

THE COURT: Okay. Can you show --

MR. JOCHER: Let me try a different photograph.

BY MR. JOCHER:

Q Do you recognize the Boost Mobile store that Mr. Alsalomeh owned?

A Yes, I do.

Q And do you recognize the pictures that we're showing you here, those trash bags are all inside that Boost Mobile store?

A I don't know.

Q I can tell you that these pictures were taken inside Mr. Alsalomeh's Boost Mobile store and inside these trash bags are all synthetic cannabinoids. Do you also recognize what I'm showing you on the right-hand side of Government's 32, those file drawers? This is a cabinet full of cash, and these cabinets contain synthetic cannabinoids.

A Okay.

Q Those are in your friend's store.

A I know that -- but, yeah, okay.

MR. DeGUERIN: Is there a question?

BY MR. JOCHER:

Q Do you recognize that, Mr. Batayneh?

THE COURT: What did you say? Do you what?

THE WITNESS: He said your friend's store. Well, he's not friend, I know him, but okay, you could say that.

THE COURT: You know him, but he's not your friend?

THE WITNESS: No.

THE COURT: Okay.

THE WITNESS: No, this is not my friend.

UNIDENTIFIED SPEAKER: There you go.

BY MR. JOCHER:

Q Do you recognize your -- Mr. Alsalomeh in Government's Exhibit Number 172?

A Yes.

(Government Exhibit 172 marked for identification.)

BY MR. JOCHER:
Q That's him there, leaning over boxes, isn't it?
A Yes, sir.
Q Would you be surprised if I told you that was taken by a confidential source who photographed him as he was sorting through a major shipment of synthetic narcotics in his Boost Mobile store?
A Yeah, it looks like it.
THE COURT: What? I'm sorry?
BY MR. JOCHER:
Q I can't hear you.
A Yeah. Yes, yes, I mean the way the picture is taken, it has to be taken --
Q And, Mr. Batayneh, were you familiar with the fact that Mr. Alsalomeh's wife had traveled frequently over to Jordan prior to him fleeing this country?
A I knew that she was in Jordan a few months ago.
Q And prior to the time that he fled this country were you aware that she was over in Jordan too?
A No.
Q Were you aware that she was over in Jordan to accept money that this Dr. Al Nasser had transferred over on Mr. Alsalomeh's behalf?
A I have no idea --
THE COURT: We have an objection, hold on.

MR. DeGUERIN: Yeah, what I was objecting to was the word fled. I don't know that he --

THE COURT: Okay. That's within the scope of cross-exam, so overruled. Go on.

BY MR. JOCHER:

Q So as far as you know, or you don't know, Mr. Alsalomeh may have had family members over there who easily could have secured a passport for him if all that was involved in it was really just waiting in line. Right?

A Secure a passport? What do you mean by secure a passport?

Q Well, you're testifying that Dr. Al Nasser was simply a facilitator, somebody who was there to help Mr. Ziad get a passport while he was remaining in this country. Right?

A What -- what Mr. Al Nasser did, anybody would do that. I've done it, anybody do it --

Q Mr. Batayneh --

A -- it's a normal --

Q -- that's not what I asked you.

A -- thing for us. It's not helping him get a passport because his -- he was --

MR. JOCHER: Objection, non-responsive, Your Honor.

THE WITNESS: -- he's a friend -- okay.

THE COURT: Okay. Listen more carefully to the question.

BY MR. JOCHER:
Q I'm sorry. Let me --
THE COURT: Try again.
BY MR. JOCHER:
Q -- let me try again, Mr. Batayneh. If it's so easy to get a passport over in Jordan, if his wife was over there regularly, she could have gone and gotten it, couldn't she?
A Yes.
Q And any other family member you're saying could have gotten it, couldn't they?
A If he has some, yes.
Q Now that wouldn't necessitate Dr. Al Nasser involving his brother and an intelligence officer from the Jordanian intelligence community, would it?
A No. At the them that Mr. Ziad wants to travel, then he asked for to do the passport.
MR. JOCHER: I have no further questions, Your Honor.
THE COURT: Redirect.
MR. DeGUERIN: I want to -- I know you haven't reviewed this transcript, but I want to offer the transcript and play the tape if we have some equipment here that we can play the tape, Your Honor, of the conversation.
THE COURT: Okay.
MR. JOCHER: Judge, I'm going to object to -- I

provided as a courtesy a copy of the translation. I haven't given Mr. DeGuerin any copies of recordings, so --

THE COURT: Oh, he's talking about Mr. Al Nasser --

MR. DeGUERIN: This is the recording made today.

MR. JOCHER: Oh, of -- between Alsalomeh and this man?

MR. DeGUERIN: Yes, and --

THE COURT: Yeah.

MR. JOCHER: And, Judge, even if it is, and the Court has no way to know whether or not this is really is Mr. Alsalomeh. He's an indicated co-defendant who carries absolutely zero credibility with this Court and he's fled this country. Anything that he has to say should be of zero value to anybody sitting here.

THE COURT: Okay. Do you --

MR. DeGUERIN: But I'm not --

THE COURT: -- have a transcript of the conversation?

MR. DeGUERIN: I do.

THE COURT: I'd rather just use that than the recording for -- in the interest of time. And you can offer it.

MR. DeGUERIN: All right. Let me get one for the -- I need a sticker.

THE COURT: Okay.

MR. DeGUERIN: Sorry, I didn't --

THE COURT: What are we on, Number 8?

MR. DeGUERIN: This one should be nine I believe.

THE COURT: Number 9. And what language is this conversation in?

MR. DeGUERIN: It's in English.

THE COURT: In English.

MR. DeGUERIN: And --

THE COURT: Okay. Exhibit 9 is offered. It's a transcript of a telephone conversation that occurred today between this witness and Mr. Alsalomeh you say?

MR. DeGUERIN: Yes, Your Honor.

THE COURT: All right.

MR. DeGUERIN: I'm in the background also, and the witness has identified Mr. Alsalomeh from voice and knowing him.

THE COURT: Okay.

MR. DeGUERIN: I just want to bring out a couple of points. If I can hand this up to the Court to go along with -- follow along with us.

THE WITNESS: Mr. DeGuerin?

MR. DeGUERIN: Yes.

THE WITNESS: Can I say something? I mean they could talk to Ziad on the Face Time, so that he could see their face and they will know that's Ziad or not. If there's -- think another person, they could call him on Face Time or Facebook or what do they call it --

MR. DeGUERIN: He's actually standing by and he'll be --

THE WITNESS: And you could see his face and he will talk to you.

MR. DeGUERIN: -- available --

THE WITNESS: So it's not another person.

MR. DeGUERIN: -- to speak so he can be identified.

THE COURT: I'll just rely on this transcript.

MR. DeGUERIN: And I'm not here to defend Ziad. In fact, I don't like the fact that because of the association that Dr. Al Nasser -- and Dr. Al Nasser is sitting here in an orange jumpsuit. So I don't have any blood loss for this guy, but at least he was open with me and had been open with others in the community. And here's --

THE COURT: No, I'm just not going to encourage him to make statements that might incriminate him and I can see all kinds of problems with this, and I'm not going to do it.

MR. DeGUERIN: All right. I understand, Your Honor. I just want to bring out a couple of things if I could.

REDIRECT EXAMINATION OF HUSAIN ALI BATAYNEH

BY MR. DeGUERIN:

Q Did you ask him whether he fled the country or whether he left on his own will?

A Yes, I did.
Q And he said he left on his own will?
A Yes.
Q And you could leave any time you wanted to, that you asked him?
A Yes.
Q He said yes. Also, did you ask him at my request, the passport that you got in Jordan, did Omar bride anyone to get you the passport, or that was something normal anyone could do? Did you ask him that?
A I did ask him.
Q What was his answer?
A That's something normal and Omar did not help him with the passport.
Q Okay.
A He knew his brother.
Q And it was his sister that helped get the passport?
A Yes.
Q What -- did he tell you what the reason was he went to Jordan?
A Because he said he has no driver's license and he has no bank account and it's time for him to leave this --
Q And was his --
A -- (indiscernible).
Q Also was his mother ill and just died recently?

A I'm sorry, yes.
Q Okay.
A His mother was very ill and she fall down ill and she died also.
Q All right. At my request did you ask him this, The money that Omar invested for you, does Omar know in any way that this money came from illegal sources?
A I asked him.
Q What did he say?
A He said, No, he did not know.
Q And the money that he sent to Jordan, what was his answer?
A He said, No, he did not know. We asked Ziad if the money was sent to Jordan, that Omar knows about this money, where it came from. He said, No, he does not know where they come from.
Q And he said that's the same money, the same thing, the same money?
A Yes.
Q Well, and -- one other question. Did you ask him whether he was willing to testify in Jordan if we were to get an order from the Court to take a deposition in Jordan?
A Yes, I did.
Q And is he willing?
A He said he's willing to do that.

Q There is a procedure for that though, and I've done it before. Not Jordan, Mexico.

MR. DeGUERIN: That and pass the witness.

THE COURT: More cross-exam?

MR. JOCHER: Just argument, Your Honor.

THE COURT: The witness is excused. All right.

MR. DeGUERIN: Thank you. You can step down.

THE WITNESS: Could I say something? I mean --

MR. DeGUERIN: Yes, please.

THE WITNESS: -- if it's fine. I mean --

MR. DeGUERIN: Go ahead.

THE WITNESS: -- yeah -- no --

MR. JOCHER: No.

MR. DeGUERIN: I can't believe this Court said --

(Simultaneous talking.)

THE WITNESS: Really I want to say -- not on my behalf, on behalf of the community --

THE COURT: What --

THE WITNESS: -- because they came here to --

THE COURT: Oh.

THE WITNESS: -- hear this one.

THE COURT: What about it?

THE WITNESS: I mean the community, they asked me to say that we aren't here to defend or protect anybody who sold synthetic marijuana or used it or market it. Even if that was my son, I will not be standing here today, or my wife, she'd be with me looking at this one. The reason we're here, because we knew Dr. Omar very well. We knew him, I've been knowing him for 10 years, all in the community they know him. He -- the accusation that was -- indict him with, to us is nothing. To us it's a mistake he done by sending the money without knowing that, okay --

MR. JOCHER: Your Honor, this --

THE WITNESS: -- but now that the stuff -- it's nothing -- no, this --

MR. JOCHER: Your Honor, this is simply going to reopen this to cross-examination because he doesn't know the facts that we've brought out.

THE COURT: All right.

MR. JOCHER: He doesn't know that Mr. Al Nasser has transferred hundreds of thousands of dollars on behalf of Ziad. He doesn't know the nature of the electronic communications. I mean Mr. DeGuerin asked him what he thought -- what Mr. Al Nasser's reputation was in the community and he offered that.

THE COURT: All right.

MR. DeGUERIN: Well, he's speaking to his character and his reputation, and he's also speaking for the community and hearsay is admissible.

THE COURT: Okay.

MR. DeGUERIN: We can call a lot of people. Raise your hand if you're here for Dr. Al Nasser.

(Show of hands.)

MR. DeGUERIN: That's pretty -- that's most of the audience, Your Honor.

THE COURT: Okay. I understand. Thank you. You're excused.

THE WITNESS: Thank you.

(Witness steps down.)

THE COURT: Do you have any other witnesses to present or proffers?

MR. DeGUERIN: Well, his mother's here -- I mean, excuse me, his mother-in-law, his father-in-law, his wife, the Pretrial Services is rather sketchy, but it does include the fact that he -- they recently bought a home, she's pregnant, she's due in October, he teaches on a regular basis, is a professor at U of H, all of those things, we will gladly accept the Pretrial Services recommendation.

THE COURT: Okay. Okay. Well, do you rest, Mr. DeGuerin?

MR. DeGUERIN: Yes, yes, Your Honor.

THE COURT: All right. Can we recall your witness, please?

MR. JOCHER: Can we just -- can we do argument on his client and then move to the next person so we can foreclose the issue of Dr. Al Nasser?

THE COURT: Why do -- I don't want to do argument till the end.

MR. JOCHER: Just -- well, all I'm asking to do is foreclose the issue of Dr. Al Nasser rather than having to do argument one at a time for something that we've addressed multiple hours ago.

THE COURT: Okay. Go ahead, do argument for Dr. Al Nasser then.

MR. JOCHER: Your Honor, the Government has shown the Court multiple instances where Dr. Al Nasser has transferred cash that had been deposited into his accounts and calls between he and Ziad where it's clear that Ziad is having that cash provided to Dr. Al Nasser, and then there are corresponding calls where Dr. Al Nasser is explaining that that cash has, in fact, been transferred to Jordan.

There is also a text message that indicates that he knew that money was illegal. And while the Government concedes that text message occurred in October when he says that the money is illegal. There is no reason for people to talk in a conversation about code words. And Dr. Al Nasser actually says, You'll have to teach me your code. You know who talks in code, crooks talk in code. Nobody walks into their broker's office at H&R Block and talks about code to somebody who they're entrusting hundreds of thousands of dollars with. That is an earmark of somebody who's actively engaged in illegality. That's what's going on here.

You know, I respect that Mr. Batayneh, and many of the community here, think highly of Dr. Al Nasser. But Dr. Al Nasser, let's not forget, is the one who voluntarily associated himself with Ziad Alsalomeh, who is one of the major narcotics dealers here in Houston. And while he may believe that Alsalomeh says he could have left whenever he wanted, the fact of the matter is that multiple searches and seizures of narcotics and money had been taken from Alsalomeh at his place of business. Alsalomeh left here without his home being sold. That's worth hundreds of thousands of dollars.

Alsalomeh had no passport. He had no way to leave this country. And Dr. Al Nasser and his brother are on the phone with Alsalomeh here talking about all the machinations necessary to get him a passport, when Alsalomeh's family that travels over there, they mentioned the involvement of a Jordanian official. There is no reason for Dr. Al Nasser here in Houston to be securing Ziad Alsalomeh, a major narcotics dealer, a passport for any innocent purpose, especially when they're talking about who -- what hoops they have to jump through in order to get this done. If Ziad's own family can go to Jordan, surely if it's as simple as Mr. Batayneh represents to the Court, he can secure the passport for them.

And then finally with regard to the passport, the Government tendered a translation of a conversation that was had between Dr. Al Nasser and Mr. Alsalomeh, and why, Your Honor, why would they talk about where the passport should be secreted on the way home if they didn't all know that this wasn't aboveboard. Crooks talk about where to hide things, put it in her purse; no, don't put it in her purse; put it in a bag; no, put it with the youngest child, if they ask any questions. That gives you some insight into what's going on in his mind and what he knows. And what he knows is he got a passport for a man who wasn't able to secure one on his own who wants to flee this country.

What Al Nasser knows about Alsalomeh's bond, his bond conditions is absolutely irrelevant. The fact of the matter is that all he had to know was his friend wanted a passport, he couldn't get out without one. And that he had the connections in order to secure it. If he knew that Mr. Alsalomeh was involved with criminal activity and didn't have a passport because of that, then that's even more reason that a man who's a Ph.D. should have been asking questions like, Why do you need me to get a passport for you? He didn't ask any of those questions. And there's a reason why. Because this has all the earmarks that that man knew exactly what he was engaging in, it was criminal behavior.

When we intercept other conversations where they're talking about what's he being paid, 4 percent, 5 percent, well, you wouldn't expect his cut to be deposited into the accounts that Mr. DeGuerin was referencing. What gets deposited into his accounts is what has to get transferred over. That's Ziad's money. So he's being paid to move drug money. If he's being paid, why would Ziad pay him that kind of exorbitant fee to move legitimate money? You can certainly walk into a bank and effect a money transfer without paying $4,000 for every $100,000 you want to transfer.

To a man who's got a Ph.D. in finance, shouldn't that set off some indication in his mind that this isn't aboveboard. Shouldn't he ask some questions about where this money is coming from? And the answer is, he knew where the money was coming from. He knew that this man, who just had a cell phone store in a lousy part of town, wasn't generating hundreds of thousands of dollars that he needed to transfer that was legitimate. The man can transfer his own money if it was legitimate.

So the fact that Mr. Al Nasser has involved himself not only in this money transferring business, and the Government represents the money laundering enterprise, but acquired a passport for a man who was a major synthetic narcotics dealer here in Houston, and as a result of that that man has been able to flee the jurisdiction should allow the Court to conclude that there is no condition or conditions that could be placed on Mr. Al Nasser that would secure his appearance in court.

THE COURT: You have a response?

MR. DeGUERIN: Yes, Your Honor, and I'll be brief. I think Mr. Jocher has basically argued guilt, and that's not the determination here. This is not a presumption case. He's not charged with a narcotics case. He's charged with money laundering and -- or conspiracy to launder money by not being registered to transfer money. It's a very short period of time in the summer of 2014 when everything took place, including obtaining the passport.

And during all of this -- that time, Alsalomeh was a Government witness. Now Mr. -- or Dr. Omar did not know what he was -- what the fellow was involved --

MR. JOCHER: I'm going to object to the fact that he was a Government -- he --

MR. DeGUERIN: He was a Government witness.

MR. JOCHER: During all this time he was not a Government witness. He was under Government investigation. He never testified one time, and the documents that Mr. DeGuerin proffered to the Court are from three years ago.

THE COURT: Okay.

MR. DeGUERIN: Well, the document says that he's now given his deposition and we don't need him anymore. But they kept him for four years after he was supposed to be deported as a Government witness. They got you to do that. You were the first Judge that granted their motion to keep him here. And so he was a Government witness, and he was on -- released to the Government. But that's neither here -- now I'm not here to defend him by any means.

The question is, the least restrictive conditions that will assure his appearance for trial. He's charged with two offenses and it -- they center around the money that he sent for --

THE COURT: Alsalomeh.

MR. DeGUERIN: -- yeah, and that's it. Now we'll face those charges. And -- but this is not a time to determine that he's guilty of that. This is the time to determine what the bail conditions should be. He's got tremendous community support, family support, no record whatsoever, he's highly respected. And as far as anybody can tell there's no other involvement of Dr. Al Nasser with anybody else in this indictment. There's just no evidence of it, so we certainly think that the Pretrial Services was correct in recommending a bail bond with conditions

THE COURT: All right. Can we get our witness back on the witness stand now? And who's going to cross-examine him next?

MR. SCHAFFER: We are, Your Honor.

THE COURT: Okay. Good.

(Pause in proceedings.)

THE COURT: Go ahead. Microphone, please.

CROSS-EXAMINATION OF JAMES SEMRICK

BY MR. SCHAFFER:

Q Agent, right before you left the witness stand, you made a statement to Mr. DeGuerin to the effect that you had some concern about his client I guess fleeing if he was out on bond. And I think you have the same feeling about Mr. Siddiqi. Correct?

A Yes, sir.

Q Okay. You recall that his case was actually indicted on April 28 of 2016. Correct, sir?

A Yes, sir.

Q And at the time of the indictment you obtained warrants for the arrest of the various defendants, did you not?

A Yes, sir.

Q Now as of April 2016 this case has been under investigation for a little over two years. Correct?

A We counted four years, yes, sir.

Q Is it four years?

A The entire case is four years. The indictment shows two years I believe.

Q All right. Well, when's the first one -- well, actually the indictment goes back in 2012, doesn't it?

A I don't recall what the date is on it.

Q Nevertheless, you testified earlier on direct examination that I think around May 6 Mr. Siddiqi was seen at the airport by law enforcement. Correct?
A Yes, sir.
Q And were you one of those law enforcement agents?
A I didn't see him there, but I was at the airport --
Q Okay.
A -- yes, sir.
Q And were you at the airport because there was surveillance being conducted on Mr. Siddiqi and Ms. Khurram?
A Yes, sir.
Q And it was not only you, it was a number of other agents. Correct?
A Yes, sir.
Q And at the time you followed them to the airport, you knew they were going to be leaving the country. Correct?
A Yes, sir.
Q And was that because there was a wire tap or P3 authorization on their phone, either one of their phones, as late as May of 2016?
A No, sir.
Q But you knew they were leaving the country. Correct?
A Yes, sir.
Q And you knew they were leaving the country at the same time that you have a warrant for their arrest. Correct?

A Yes, sir.
Q You knew they were leaving the country and that they would be going to Pakistan. Correct, sir?
A Yes, sir.
Q But you also believed that they'd be coming back, did you not?
A Yes, sir, for the round trip ticket.
Q And you knew in large part that Mr. Siddiqi would be coming back because this has been his home for the last 25 years. Correct?
A Yes, sir.
Q Mr. Siddiqi knew he was under investigation back in 2014 when you went to his home. Correct?
A Yes, sir.
Q And you also became aware right after that day that I actually called John Jocher and said that if there was a warrant ever issued for Mr. Siddiqi, that I would bring him in to surrender. Correct, sir?
A I wasn't aware of that.
Q Mr. Jocher didn't tell you that I contacted him within a week after the search?
A I don't recall it. He may have.
Q I'm sorry?
A I'm sure he did, but I wasn't aware of it, or I don't recall.

Q Okay.

MR. JOCHER: And if I can proffer to the Court because there are words being put in my mouth, I do remember talking to Mr. Schaffer, I don't remember anything about, If there's a warrant, I'll bring him in. I remember the nature of our conversation, but I honestly do not remember ever hearing that.

MR. SCHAFFER: Well, I know --

MR. JOCHER: I don't dispute it --

MR. SCHAFFER: -- Mr. Jocher, but I assure you I did not call just out of social niceties.

THE COURT: Okay.

MR. SCHAFFER: I think you'll recall that I did call about this case.

MR. JOCHER: You did.

MR. SCHAFFER: All right.

BY MR. SCHAFFER:

Q So anyway, the point is, is that it was apparent to Mr. Siddiqi as early as 2014 that he was under investigation. Correct?

A Yes, sir.

Q All right. And you knew that when he went to Jordan -- to Pakistan in 2016, you believed he would be coming back, and he did come back. Correct, sir?

A I had my doubts, so I was hoping he was coming back.

Q Well, if you had your doubts, you could have arrested him right there at the airport, could you not?
A I had to get clearance from the prosecution to do that.
Q You had an order for his arrest, didn't you?
A No, sir, it was sealed.
Q Well, the warrant had been issued, and if you wanted to arrest him, all you had to do is call Mr. Jocher to get permission to do that. Correct?
A Yes, sir.
Q But you didn't do it, did you?
A No, sir.
Q All right.
A I did ask him for it, but -- and the we decided not to.
Q You didn't want to arrest him before he went to Pakistan, you wanted to wait till he got back from Pakistan?
A We were afraid that if he was arrested, the indictment would be unsealed and we may not be able to get all the other defendants arrested in time. It was a coordinated effort to arrest everyone.
Q Had you made any efforts to arrest any of the defendants prior to the time that Mr. Siddiqi went to Pakistan?
A We weren't -- we didn't have them all located at that time. It was kind of a big chore to arrest 14 people at one time when they're moving from apartment-to-apartment.
Q Well, it's not just you working on this case. You had

probably a dozen or more agents working with you. Correct?
A About -- actually looking for them, about four or five, yes, sir.
Q Was it only DEA?
A No, sir.
Q So throughout the course of this investigation, only four or five agents worked on this case?
A The main case was probably two or three agents, but then we'd have support agents along the way of course.
Q Okay. So they asked you if you believed that he would be coming back here to Houston because, as you said, this was his home. Correct?
A I was hoping he'd come back, yes, sir.
Q All right. You also knew that he had gone to Pakistan back in March of 2016 to take his children over there to visit. Correct?
A Yes, sir.
Q All right. He was gone for, what, about 10 days that time?
A I believe so, yes, sir.
Q And he was gone 10 days this time in May. Correct, sir?
A I believe so, yes, sir.
Q And when he was -- and when he came back he was arrested just a few days later. Correct, sir?
A It was the next day, yes, sir.

Q The next day. And were you the officer that arrested him?

A No, sir.

Q Were you aware of any allegations that he was anything less than cooperative at the time of his arrest?

A No, sir.

Q Did he try to resist the officers in any way?

A No, sir.

Q Did they discover any type of firearm on him or in his home?

Q In fact, in the 2014 search there were no firearms either. Correct?

A No, sir.

Q Mr. Siddiqi was very cooperative with you, wasn't he?

A Yes, he was.

Q In fact, he was courteous with you, was he not, sir?

A Yes, sir.

Q So when he was arrested in 2016, in May of 2016, there was no sort of false identification found on him or in his home. Correct?

A No, sir.

Q There is no proof or indicia of future travel. Correct?

A No, sir.

Q You had no information he was planning to flee the jurisdiction of the Court. Correct, sir?

A Correct.
Q Was his home searched last week when the officer's went there to arrest him?
A I'm not sure if it was. No, sir, it was not searched. It was not searched.
Q So you've referred a few times to calls that were intercepted, or that the Government recorded Mr. Siddiqi. In other words, there was a wire tap in the case. Correct?

MR. JOCHER: Judge, I'm going to object at this point. I haven't spoken to Mr. Schaffer directly, but I did speak to Ms. Kidd -- can we approach?

THE COURT: Sure. On this side. Are we all -- are we trying to avoid broadcasting this throughout the courtroom? All right. But we'll still be on the Record.

(Begin bench conference.)

MR. JOCHER: I wanted to add, Mr. Schaffer (indiscernible) we haven't had (indiscernible) and we haven't time to review, so I'm not going to be asking all about the phone conversations. But we just can't have (indiscernible).

MR. SCHAFFER: We'll eventually tell them the location in June. I mean he's testified on direct about the intercepted conversations.

MR. JOCHER: (Indiscernible) testifies about the exact content of the recorded calls but doesn't say T-3.

MR. SCHAFFER: Well, no, I'm calling on a T-3, but

I'm --

MR. JOCHER: That's all I'm asking you to do.

THE COURT: Okay.

MR. JOCHER: Okay.

THE COURT: Let us go --

(End of bench conference.)

BY MR. SCHAFFER:

Q Okay. I'm not going to use the words people. Let's just talk about recorded calls. How long were my client's calls being recorded?

A I believe it was two months.

Q Which two months?

A June of 2014 through I believe August of 2014.

Q Okay. At the end of that two-month period, did you try get permission from anybody to continue to record Mr. Siddiqi's calls?

A No, sir.

Q So you didn't do that because you believed that you had enough during that two-month period, June through I guess August, June and July of 2014, that there was no need to keep going with that. Correct?

A No, sir. Well --

Q Did you want to get more permission or not?

A I did not want to get permission to intercept his phone.

Q And that's because you thought --

A Or record his phone.
Q -- you had enough then?
A Somewhat. When we executed the search warrants, I thought he would get the message, and based on this investigation, he obviously did not do that.
Q So did you go to run a search warrant to deliver a message, or did you go because you were investigating a criminal case and you're --
MR. JOCHER: Objection, argumentative, Your Honor.
MR. SCHAFFER: -- determined to file charges.
THE COURT: Okay. It's within the scope of cross-exam. It's not really that argumentative. Overruled.
BY MR. SCHAFFER:
Q In fact, in 2014 there was a substance called Chunaka (phonetic) found at Mr. Siddiqi's home. Correct?
A AB Chunaka (phonetic), yes, sir.
Q AB Chunaka. But at that time AB Chunaka was not a controlled substance, was it?
A No, sir.
Q In fact, all these different substances that you've testified about where you keep referring to --
THE COURT: Schedule 1.
BY MR. SCHAFFER:
Q -- synthetic compounds, none of the chemicals in those synthetic compounds were even controlled substances until

2013, '14 and '15. Correct?
A I'm sorry, how did that go again?
Q None of the chemicals in these compounds, the Chunaka, Fuminaka (phonetic), XL 11, all these different chemicals that you've testified about, most of these didn't become controlled substances until 2015 and some in 2014. Correct?
A Yes, sir.
Q Okay. In fact, some of them weren't even analogs until early -- until late 2013, like XL 11. Correct?
A XL 11 was -- I believe it was scheduled in 2013. AB Chunaka and AB Fuminaka were considered -- when they were introduced into the US, it would be evaluated and listed as analogs.
Q I understand, but when you testified about the AB Chunaka found at Mr. Siddiqi's home in June of 2014, at that time that wasn't even a controlled substance, was it?
A It was an analog of a controlled substance, yes, sir.
Q Okay. So you testified about the recorded conversations. Were there any consensual recordings made of Mr. Siddiqi?
A No, sir, not that I'm aware of.
Q All right. Any video tapes made of Mr. Siddiqi?
A No, sir.
Q Were there any photographs taken of Mr. Siddiqi throughout the course of your investigation other than booking photos?

A Yes, sir, there were.
Q And were these surveillance photos?
A Yes, sir.
Q And in these surveillance photos with him is he depicted doing anything that is in violation of federal law?
A Yes, sir.
Q What is he doing?
A Distributing synthetic cannabinoids which would be an analog. If we can prove that it's for human consumption and that the compound is equal or greater than the Schedule 1 controlled substance that it mimics, he's eligible to be prosecuted under 841 and 846.
Q Right. And when were those photographs taken, 2014?
A Yes, sir.
Q And that was prior to the time that that substance was a controlled substance. Correct?
A Sir?
Q That that was prior to the time that the chemical compound in the synthetic was a controlled substance. Correct?
A Prior to being a Schedule 1, yes, sir.
Q Right. Any photographs in 2015 and '16?
A 2015 I'm not positive with the pole camera at the location in Onalaska.
Q Was there a pole camera placed outside Mr. Siddiqi's home

with this?
A No, sir.
Q You testified about a property in Onalaska that was owned by Mr. Siddiqi and Ms. Khurram. Was there a pole camera installed at that location?
A Yes, sir, there was.
Q And throughout -- how long a period of time was the pole camera?
A It was a month or two, I'm not sure exactly how long it was.
Q And during that time was Mr. Siddiqi ever filmed going in or out of that property?
A I haven't reviewed the pole camera but I believe he was, yes, sir.
Q You believe he was. Did you actually see him or did somebody tell you that?
A Somebody told me that.
Q And was that when it was first purchased or right before the raid?
A After it was purchased.
Q Was it prior to the raid or after the raid?
A Prior to.
Q All right. Now the search of -- well, let me back up, sorry, to the first search. The first search would have been June of 2014 -- let me make sure I have that right. I'm

sorry. What you testified to earlier, the phone calls between Mr. Alsalomeh and Mr. Siddiqi were in June of 2014. Correct?
A Yes, sir.
Q And this would have been during the time period that the recordings were done on my client's telephone. Correct?
A Yes, sir.
Q Prior to that time how long had you been investigating Mr. Siddiqi?
A That I was investigating him probably two or three months.
Q Okay. So calls were recorded in June and then a search warrant was run on his home in September. Correct, sir?
A Yes, sir.
Q And the next event that happened after September I believe would have been around June of 2015 when there was a search up in Onalaska. Correct, sir?
A Yes, sir.
Q Other than what I've just set out for you, were there any other searches of properties belonging to Mr. Siddiqi?
A Yes, sir, a second search, one at his residence after he was -- his son was giving out money to fellow students at the middle school, and we saw the drug money ledger that was captured on Alsalomeh's phone showing in excess of $318,000 in drug debt.
Q All right. When was the second search of his home?

A It was June of 2015, shortly after the Onalaska search warrant.

Q Well, you didn't testify to that on direct. What was recovered at that time?

A We seized --

Q If anything.

A Yes, sir, I believe it was like -- we seized $6500 and the red Lexus that was registered in the name of Ayisha Khurram that we observed Mohammad Siddiqi making multiple deliveries to Alsalomeh. There was also a Mustang that we seized in the garage.

Q The deliveries to Mr. -- I keep -- Alsalmeh or Alsalomeh, when did those take place?

A I'm sorry, sir, what was that?

Q When did those take place, the deliveries to Mr. Alsalomeh in the red vehicle?

A We observed transactions during undercover purchases and in surveillance related to the recorded conversations where we would observe him on surveillance passing the --

Q So the things --

A -- black trash bags.

Q I understand. So those things you're testifying about happened almost two years ago, June of 2014. Correct?

A Yes, sir.

Q Okay. So we the search in June of 2014, we have the

search in June of 2015, and there were no other searches. Correct? Than the ones we just talked about.
A And the one at his house, yes, sir.
Q All right. Was there an intent to have an undercover -- or did an undercover operative ever interact with Mr. Siddiqi?
A No, sir, not that I'm aware of.
Q So basically what you're telling the Judge is the evidence that you have about Mr. Siddiqi comes from two years ago and from one year ago. Correct?
A Yes, sir.
Q You -- did you conduct any other types of -- any type of investigation to determine whether or not Mr. Siddiqi had been traveling internationally?
A I just ran records checks to see foreign travel.
Q What did you see?
A I can't recall the travel, I'm sorry.
Q Would -- if I suggest you that he had two trips internationally in the last 10 years, would you quarrel with that?
A I would like to see it first, to be honest with you, but I know he's had two in, you know, within this year, so it seemed like there'd be more than that.
Q Well, you would think so, but you didn't check with -- who is it that handles that --
A CBP.

Q Okay. Did you check with them?

A Yes, sir.

Q And you didn't find any, did you?

A I can't recall. I don't remember seeing the records -- I remember seeing the records, but there were 16 individuals we ran so I can't remember which was his.

Q Okay. You didn't find any history of him traveling under a different name. Correct?

A No, sir.

Q You didn't find any -- throughout your investigation over the last few years at any time Mr. Siddiqi using a different identity for any purpose, did you?

A I think I do recall the trip coming back from -- with his family, it showed up as Mohammad Shariq, but that would be his middle name, so that's the only thing I would see.

Q You know that's part of his real name. Right?

A Right, but Siddiqi didn't show up in the record.

Q You didn't find any evidence of any type of bank accounts outside the United States, did you?

A Not that I can recall, no, sir.

Q You don't recall -- well, you either don't recall or it doesn't exist. Correct?

A No, sir, there's a ton of financial documents in this investigation.

Q You've found no evidence of assets or properties on the

outside of the United States, did you?
A Not that I'm aware of, without reviewing the financial investigation.
Q You did find out in your investigation that Mr. Siddiqi has a number of family members here in the Houston area. Correct?
A I didn't investigate that, I'm sorry.
Q Well, you've been to his home, haven't you?
A Yes, sir, and his wife and children.
Q Okay. He's got, what, three kids, four step-kids here in Houston?
A I was aware of the two or three kids that were in his home. I didn't know about the step-children.
Q Okay. Anything sinister about his home in terms of were there any excessive types of security devices around his house?
A No, sir.
Q Okay. Just a normal home in Sugar Land. Correct, sir?
A Yes, sir.

MR. SCHAFFER: Can I have just one moment to look through my notes, Your Honor?

THE COURT: Yes.

(Pause in proceedings.)

BY MR. SCHAFFER:
Q Did you make any attempt to ascertain the extent of

Mr. Siddiqi's criminal history?

A Yes, sir, I did.

Q Okay. And we see on the Presentence -- not the Presentence -- on the Pretrial Services report there are a number of cases that are listed as felonies. Correct?

A I'm sorry, I didn't hear that?

Q There were a number of cases that are listed as felonies. Correct?

A I believe so.

Q Let me --

MR. SCHAFFER: May I approach the witness, Your Honor?

THE COURT: Yes.

BY MR. SCHAFFER:

Q Let me show you what I'm going to mark as Siddiqi Exhibit 1, so the SX-1.

(Siddiqi Exhibit 1 marked for identification.)

BY MR. SCHAFFER:

Q This is a copy of the indictment out of Fort Bend County in 2011 for assault. Correct, sir?

A Yes, sir.

Q I think that's actually referenced in the Pretrial Services report. Can you tell the Judge the disposition of the case and whether, in fact, it was reduced to a misdemeanor?

A I'm sorry, I'm not familiar with these type of documents. If could you point it out to me it'll --
Q Well --
A -- speed things up. I'm sorry.
Q -- if you look at Judgment --
A I see period of probation, 10 months --
Q And where it says, Degree, it says MS, that's a misdemeanor. Correct?
A Okay. I didn't know if that's what it meant, but
Q And what is -- the disposition shows 10 months probation. Correct, sir?
A Yes, sir.
Q And under Texas law that would be a misdemeanor probation. Right?
A I believe so, yes, sir.
Q And what I'll mark as SX-2, a judgment in the 182nd District Court on October 3, 1997. Correct?
A Yes, sir.
(Siddiqi Exhibit 2 marked for identification.)
BY MR. SCHAFFER:
Q And this is for the unlawful transfer or redemption of food stamps. Correct?
A Yes, sir.
Q And the disposition indicates what, the State reduces from felony to lesser offense. Correct?

A Yes, sir.
Q And then there's a fine of $1,000 (indiscernible). Correct?
A Correct.
Q So the cases that are listed as felonies on the Pretrial Services report, they have the charges on these, but at least two of them so far were reduced down to misdemeanors. Correct?
A I believe so. I'm not sure when it says lesser offense.
MR. JOCHER: Judge, it would be much faster if Mr. Schaffer would just proffer to the Court what the disposition is. If he has a disagreement with Pretrial, then share those with the Government --
MR. SCHAFFER: Okay. I'm going to give you copies --
MR. JOCHER: -- instead of piecemeal this.
THE COURT: Yes, it would.
MR. SCHAFFER: I'm sorry?
THE COURT: It would be quicker.

MR. SCHAFFER: ll right. I'm going to proffer then state -- SX-3, Siddiqi Exhibit 3 --
THE COURT: But do we have to do it now since you already did it the other way? Let's not be repetitive. Are there other offenses that were reduced?

MR. SCHAFFER: This is the only one I have.

THE COURT: Thank you.

MR. SCHAFFER: Do you want me to go through them as I have or just proffer the --

THE COURT: You don't need to go through them again. You already went through it with the witness.

(Pause in proceedings.)

BY MR. SCHAFFER:

Q Oh, you were able to determine that Mr. Siddiqi had no felony convictions. Correct?

A I don't recall. I just remember the felony arrests. I don't remember the convictions.

Q And why you were conducting your investigation, you did determine that he does have three businesses, three legitimate businesses. Correct? Three gas stations?

A I would call them legitimate, but, yes, sir.

Q Is there something illegal about the gas that's sold there?

A No, just the way the property was purchased.

Q Are there three operating gas stations at those locations?

A When we did one search, went, there were no gas pumps -- or there --

Q So try --

A -- there were gas pumps but they were wrapped up in

yellow tape when we executed the search warrant.
Q And when was that?
A September 2014.
Q All right. Does he, in fact, have three convenience stores at the locations that I talked about, or the gas stations?
A Yes, sir.
Q Okay. Those are operating convenience stores, are they not?
A Yes, sir.

MR. SCHAFFER: I'll pass the witness.

THE COURT: Do you want to redirect him about any of this stuff?

MR. JOCHER: Just one thing.

REDIRECT EXAMINATION OF JAMES SEMRICK

BY MR. JOCHER:
Q Did you find out that Mr. Siddiqi has his children on Government assistance at the time that he was -- immediately before he was arrested?
A Yes, sir, we did.
Q What was that called?
A CHIP, Medicaid, Medicare.
Q Thank you.

MR. JOCHER: No further questions.

THE COURT: Redirect -- I mean recross?

MR. SCHAFFER: Nothing further, Your Honor.

THE COURT: All right. Do you want to do argument now?

MR. JOCHER: Yes, please, Your Honor.

THE COURT: Go ahead.

MR. SCHAFFER: Well, we've haven't done -- we've got several witnesses, Your Honor.

MS. KIDD: We have character witnesses.

THE COURT: Oh, I'm sorry. Okay. You can get -- step down. You may present your witnesses.

Does the Government rest regarding Mr. Siddiqi?

MR. JOCHER: We do, Your Honor.

THE COURT: All right. Call your witnesses.

MS. KIDD: Thank you, Your Honor. We call Nyteia Jackson.

THE COURT: Please come forward and be sworn.

THE CLERK: You need to come stand there just by the microphone --

THE COURT: Right.

THE CLERK: -- to be sworn.

THE COURT: Right in front of the bench. Raise your right hand to be sworn.

(Witness is sworn.)

THE CLERK: Take your seat on the witness stand, please.

THE COURT: All right. You may proceed.

MS. KIDD: Thank you, Your Honor.

THE COURT: Can you pass the microphone a little closer to you? And state to your name.

MS. KIDD: My name's Tammy Kidd and we represent Mr. Siddiqi.

DIRECT EXAMINATION OF NYTEIA JACKSON

BY MS. KIDD:

Q Ms. Jackson, could you please introduce yourself to the Court, and I'd like for you to spell your first name.

A Okay. My name is Nyteia Jackson, and my first name is spelled N-Y-T-E-I-A.

Q And what is your relationship with Mr. Siddiqi?

A He's my step-dad.

Q And when did he first become your step-father?

A When I was two years old.

Q How old are you now?

A Twenty-seven.

Q And when he became your step-father did you have other brothers and sisters?

A Yes, I did, I have an older sister who's 31 now, and a 29 year old brother, and a 24 year old brother.

Q So how long would you say that he's been in your, all of your siblings lives?

A All our lives basically.

Q Okay. So when your mother married him, were you brought into their home together?
A Yes.
Q Okay. Could you tell us a little bit about that?
A Well, what do you mean by that, tell us?
Q Oh, tell us was a normal family, you know, mom and dad, or, you know, was there was a lot of moving around and custody, or who were you actually with?
A No, we were living with Shariq and my mom.
Q Okay.
A And we were -- yeah, it was normal, it was a normal house.
Q Okay. And how many children does Mr. Siddiqi have?
A Well, including us?
Q Yes.
A Seven.
Q Okay. Could you tell us who they are?
A My sister, she’s, like I said, 31; I have a 29 year old brother; and then it’s me, 27; a 24 year old brother; a 21 year old sister; a 12 year old brother; and a 10 year old brother.
Q And who do you -- who is still home with Mr. Siddiqi?
A My 21 year old sister, my 12 year old brother and my 10 year old brother.
Q Okay. And when you were growing up with him what was the

daily routine like?
A Well, the daily routine was he went to work, my mom went to work back, you know, back then, and we went to school, came home. We ate normal.
Q And he would -- was he involved in your life?
A Yes, he was. We would -- like he would take us to the park.
Q Okay. And what has your relationship been like with him since the time he's come into your life?
A Well, he's always done whatever he could for us, and, well, for me, and like he's never -- like I don't ever remember him telling me no for anything. He's always been there when I needed him.
Q Okay. And when you say he's never told you no for anything, are you talking about stuff or what are you -- what else are you talking about?
A Like for anything, like he -- well, he always gave us advice too, like on everything, so that was needed to.
Q Okay. Do you still have a good relationship with him?
A Yes, I do.
Q Okay. Describe it, how -- what you're doing with him now, what your relationship with him is now.
A Well, now he's -- he helps me with school and, you know, he still checks in to see if my grades are good, and I'll come over, we go to the movies, we go out to eat. You know, his

birthday was on Friday, but, well, obviously that was messed up.

Q So is there still a lot of family occasions to get together?

A Yes, it is.

Q Okay. Who usually coordinates those?

A Well, he usually calls me, sometimes I get distant because I live an hour away, but I'm always there, so he always calls me back and, you know, I do things with him and my little brothers.

Q You said that he's helping with school. What are you studying?

A I am in school for -- to be a teacher of education.

Q Where are you in school?

A At Lee College in Baytown.

Q Are you going full-time, part-time?

A Full-time.

Q Okay.

A Taking a break for the summer, start back in August.

Q Okay. Are you also working?

A Yes, I work full-time as well.

Q Okay. So you go to school during the day -- I mean you go to work --

A I go to work during the day and then I go to school at night, so the only days I really have free are the weekends,

so.
Q Okay. And as far as how you've grown up with him, what did you feel like his reputation in the community was when you were growing up?
A Everybody liked him as far as, you know, everything we saw --
Q Okay.
A -- or that we could see. And my family, we all did.
Q And you have some other family members here today?
A Yes, I do.
Q Okay. Can you just tell us who you know of your family that's here today. I know there are other friends, but people have come and go.
A My uncle's here, my mom's sister, my older sister Tanisha's here, my younger sister Sonna's (phonetic) here, and my younger brother Justin is here and my mom is here.
Q Okay.
A And my aunt was here too, but she has to work.
Q And you know we're here for a detention hearing.
A Yes.
Q And to try to determine whether your father would be okay if he was let out, if he would stay in the country. What are your feelings about whether or not he would do -- would he flee?
A Well, my exact feelings on that are he just took my 10

and 12 year old brothers to Pakistan, so he had the -- you know, his -- they're the close ones, he had them with him when he came back. That was his chance to flee if he was going to go anywhere or stay.

Q What do you mean by they're the close ones?

A Like they dress alike, they have like matching outfits wherever they go, and matching shoes and they -- you know, they're really close, so they're really attached to him.

Q And do you know what the purpose of them going back to Pakistan was?

A I think it was to visit his dad, his dad is sick --

Q Okay.

A -- so for that.

Q Okay. And also do -- would you ever consider your father to be dangerous or a problem in the community?

A No, I don't. Not at all.

MS. KIDD: Pass the witness.

THE COURT: Would you like t cross-examine?

MR. JOCHER: No questions, Your Honor.

THE COURT: All right. The witness is excused. Thank you.

THE WITNESS: Thank you.

(Witness steps down.)

THE COURT: Who's the next witness?

MS. KIDD: Shahi Nadeen.

THE COURT: Please, if you don't mind walking down the middle aisle, it's easier to get to the front of the courtroom that way.

THE WITNESS: Okay.

THE COURT: Good, good, good. All right. Please raise your right hand to be sworn.)

(Witness sworn.)

THE CLERK: Take your seat on the witness stand, please.

DIRECT EXAMINATION OF SHAHI NADEEN

BY MS. KIDD:

Q Mr. Nadeen --
A Yes.
Q -- could you please introduce yourself to the Court, and I'd like for you to please spell your name.
A Yeah. Okay. My name is Shahi Nadeen, first name is Shahi, S-H-A-H-I, Shahi. Shariq Siddiqi is the --
Q I would like -- hold on a second --
A Oh. Okay.
Q Your last name as well.
A Nadeen, N-A-D-E-E-N.
Q Okay. And we're going to do this in a question and answer --
A Oh, yeah, yeah.
Q Okay.

A Yeah. Okay.
Q So I know you're --
A Please.
Q -- a little nervous, so we'll take it slow. Okay.
A Uh-huh.
Q All right. Tell us what your relationship with Mr. Siddiqi is.
A Siddiqi, Shariq Siddiqi is the elder brother of my wife.
Q Okay. And how long have you been married?
A We are 20 years.
Q So have you known Mr. Siddiqi for 20 years?
A Yeah.
Q Okay. When was the first -- when did you first meet him? When you first were getting married?
A Oh, a few days before my marriage.
Q Okay. And what was your first impression of him when you met him?
A Helping, advising.
Q Okay.
A Loving.
Q And has your opinion of him changed since that time?
A No.
Q Okay. And could you tell us what particular things -- or you said he's helping, what he's done for you.
A Oh, yeah. While I was in Pakistan he always advised me,

Try to -- he said to me, Shahi, Shad brother, like a big brother, please try to come here in US. You have good opportunity for your education and other things. And I was in Pakistan --
Q Okay.
A -- and doing good --
Q Let me stop you there. Do you have -- do you have children?
A Yeah.
Q How many children do you have?
A Three.
Q Okay. Did -- is -- did they come here to the United States with you?
A Yes.
Q Okay. Tell us a little bit about once you got into the United States, what happened? How did Mr. Siddiqi help you?
A Oh, yeah. Siddiqi advised me, try to come here, there is good business opportunities, and apart from business opportunity, livings are very good, education opportunities are very good. So we decided to come here.
Q I understand. But once you got into the United States.
A It's December -- 20 December 2013.
Q Once you got -- once you arrived in the United States --
A Yeah.
Q -- was Mr. Siddiqi here to help you?

A Yeah.
Q Tell us what he did for you.
A Oh, he already arranged schooling, Dulles High School schooling system for my children, for my kids, and living and all these things, he already did before my coming.
Q Okay. And so when you arrived here what was the relationship like with Mr. Siddiqi and his family?
A Good, like --
Q Okay. Tell us about some times that you have spent with his family.
A Yeah, mostly he spend more time with my family, and especially with kids. I have a thing I like to say, that he loves kids, because almost every week, every weekend, especially on Saturday, he bring his -- both of the kids, Shaquille and Trey, and not only his kid, his grandson, sometimes grandson also, the son of Junior Justin, and with these three kids, my two younger kids, he used bring them different places, because we are new here, so, you know, my kids like to visit every interesting place --
Q Okay.
A -- like zoo, like parks and anything.
Q And do you -- is he very involved with his family?
A Yes.
Q With his extended family, brothers and sisters?
A Yeah. Yes.

Q What does he do for them?
A Oh, he always keep in touch.
Q Okay.
A Like when I was here, so I started my business so most of the time I was outside, but he keep in touch with my wife, and not only my wife, all of his sisters and brother.
Q What do you believe his reputation in the community has been over the last 20 years that you've known him?
A The people is helping. I think he love to help other people.
Q Okay. And you -- again, we were talking about how this is a detention hearing, the whether or not Mr. Siddiqi should be allowed on bond. Do you believe that if he was allowed out on bond that he would be a danger to anybody in society or to the general public?
A He should be allowed. He should be.
Q Do you believe that he would ever leave this country or try to flee if he was let out?
A In my own word, I think he would like to die here instead of fly from here.
Q Okay.

MS. KIDD: Nothing further, Your Honor. Pass the witness.

THE COURT: Do want to cross-examine?

MR. JOCHER: Briefly, Your Honor.

CROSS-EXAMINATION OF SHAHI NADEEN

BY MR. JOCHER:

Q Mr. Nadeen, what is our employment history?

A No, I am doing my business, textile.

Q Where is that located? Is it on Harmon (phonetic)?

A No, it's -- I started from my home at Stafford because in the building I bring us one or two container of t-shirts, I try to sell here, so feel difficulty. So instead of putting more expenses on --

Q Let me interrupt you there. Did you ever work at 5722 Fondren?

A 5722 -- yeah, I was -- I spent some time there, not working.

Q You spent some time there.

A Yeah.

Q Okay. Why were you spending time there?

A Because Harmon is the main hub of all these wholesale activities. So I used to go there and visit different people for selling the goods, textile goods.

Q Okay. I'm talking specifically about 5722 Harmon, which is Smoke 420.

A Uh-huh.

Q Did you spend time there?

A Yeah.

Q Okay. Did you ever work there?

A Not work, spend time, it's -- there is a place where I can sit and do the computer work, inquiries, and all these things.
Q So Mr. Siddiqi let you work at his Smoke 420 shop.
A Sorry, I don't --
Q Mr. Siddiqi allowed you to work and stay at his 420 --
A Yeah.
Q -- Smoke 420 shop.
A Yeah.
Q Were you there on September 17 when law enforcement executed a search warrant?
A I was there.
Q Okay. And that was the same time when Mr. Siddiqi had raw synthetic cannabinoid product from China that was located in that store. Had you ever seen that before?
A Never.
Q He never shared that with you?
A No.
Q He never talked to you about --
A No.
Q -- his involvement with any of that?
A No. No.
MR. JOCHER: I have no further questions, Your Honor.
MS. KIDD: Nothing further, Your Honor.

THE COURT: You're excused.

THE WITNESS: Yeah. Thank you.

(Witness steps down.)

THE COURT: Next witness.

MS. KIDD: Just one more witness, Your Honor.

THE COURT: Who is it?

MS. KIDD: Ms. Tanisha Jackson.

THE COURT: Please come forward and be sworn.

(Witness is sworn.)

THE CLERK: Take your seat on the witness stand, please.

DIRECT EXAMINATION OF TANISHA JACKSON

BY MS. KIDD:

Q Ms. Jackson, could you please say your name for the Court and spell your first name?

A Tanisha Jackson, T-A-N-I-S-H-A.

Q And what is your relationship with Mr. Siddiqi?

A He's my step-father, but to me he's my father.

Q When did he become a part of your life?

A When I was in the second grade.

Q Okay. And when you were in the second grade -- you know, we've heard that there were four other siblings. Correct?

A Yes, ma'am.

Q When he met your mother.

A Yes, ma'am.

Q Okay. Where were you in that lineup?
A I'm the oldest out of the four --
Q Okay.
A -- and the youngest was under a year.
Q Okay. And when you first -- they first were married, do you recall the relationship that you had with Mr. Siddiqi?
A He was a father figure to me and the kids.
Q And explain what you mean by that.
A What do you mean?
Q What -- father figure. Did he just --
A Well, my father was not in our lives, so everything that kids think about a father position is, he fulfilled that --
Q Okay.
A -- financially supported us, morally supported us, educated us, protected us from harm, any kind of danger, he led us in the right direction.
Q He treated you like you were his own.
A Right. I'm his daughter.
Q Okay. And do you have -- can you tell us of specific examples of how you felt like he was your father?
A The first one?
Q Whichever -- whatever you have.
A (Crying.)
Q I guess you have more than one. You can tell the Court one.

A I remember when he first came and we all moved together, he -- I'm so sorry. (Crying.) He got us an apartment and it was a one bedroom and he gave the one bedroom to all of the kids and he slept in the living room with my mom and set the whole room up just for us.
Q And whenever, you know, you went about your daily routine, going to school and coming home, what was it like coming home?
A I couldn't wait to get there so I can share with them what we did in school, and tell them everything that happened, because I knew that they would listen.
Q Okay. So whenever -- do you still have that relationship with him?
A Yes.
Q How involved is he in your life right now?
A Involved.
Q Okay. And you have a grandchild on the way.
A Yes.
Q Okay. Has he been involved in his grandchildren's lives?
A Yes.
Q What is he doing for them?
A The same thing he does for his own kids.
Q Okay. And, you know, we have talked here, oh, about the people that are here supporting him. Right? Were there a lot of people earlier that you felt like were here to support him?

A Yes.
Q Okay. And who would these people be, just some example.
A My mom, my siblings, all of my siblings, and my auntie and a lot of friends that I recognize of --
Q Okay.
A -- Shariq's.
Q Have you seen him interact with his friends and have relationships with his friends?
A Oh, no, when I come over it's more for family.
Q Okay. And how often do you see him now?
A At least twice a month on Sundays.
Q Okay. And who coordinates that?
A We all do.
Q Okay.
A Mainly he'll invite us over.
Q Okay. And we've also talked today about the possibility, or the hope that Mr. Siddiqi would be allowed out on bond. Do you believe that he would ever be a danger to society or to the community?
A Absolutely not.
Q Okay. And do you believe that he would ever flee or try to leave this country?
A No.
Q Why is that?
A He would have did it already. Everything he loves is

here. Everybody that's his family and he supports, he started everything, is here.

Q Okay.

MS. KIDD: Pass the witness.

THE COURT: Cross-examine?

MR. JOCHER: No questions, Your Honor.

THE COURT: You're excused.

THE WITNESS: Thank you.

THE COURT: Thank you.

(Witness steps down.)

THE COURT: Anymore witnesses?

MS. KIDD: No, Your Honor.

THE COURT: Do you rest?

MS. KIDD: Do we rest?

THE COURT: Yeah.

MS. KIDD: We rest.

THE COURT: Okay. Do you have an argument?

MR. JOCHER: I do, Your Honor. Mr. Schaffer alluded to the fact that the Government watched as Ms. Khurram and Mr. Siddiqi got on a plane and went to Pakistan. And Agent Semrick talked about the fact that, and this Court, there were a lot of people who were indicted in this case all the way from Virginia to California, and this had to be a coordinated effort. If we had arrested them at that time, we risked exposing 12 other defendants. So clearly there was a calculation going on about whether or not they would return.

And that return can't be examined necessarily in hindsight. Mr. Siddiqi and Ms. Khurram didn't know that they were under federal indictment at that time. There's a clearly different mind set between should I flee when you know that you're under a multiple count federal indictment and, you know, you're coming back and you know you've been under investigation for -- the last thing you heard was that absolutely nothing has happened. So I think that, you know, there is a definite distinction to be drawn there.

Mr. Schaffer and Ms. Butler brought out some aspects about the Defendant's character. Pretrial reports -- report points out that, you know, while people may think that he is a wonderful person, we're not here to pass judgment on Mr. Siddiqi's entire life. Just asking the Court to take notice of the facts that we have, and the fact is that he's been convicted of crimes of moral turpitude on more than one occasion and been charged and had dispositions of crimes of moral turpitude on multiple occasions as well.

Mr. Schaffer alluded to the fact that, you know, these were sort of archaic charges, or archaic events that occurred. Well, the Onalaska manufacturing site was 11 months ago when that was searched and the 813 pounds of Schedule 1 controlled substances. Mr. Schaffer brought up the fact that, you know, some of these weren't scheduled at the time. The

Government hasn't charged Mr. Siddiqi with things that weren't scheduled at the time.

The Government's charged him with things that are scheduled, and they're Schedule 1, 813 pounds, from the manufacturing site at a property that Mr. Siddiqi and Ms. Khurram operated, where they've both been identified by two of their employees who were there. One of whom testified -- or told law enforcement that it was Mr. Siddiqi who taught him the recipe, how to dissolve and manufacture these things. The fact of the matter is that Mr. Siddiqi's a major narcotics dealer and manufacturer in the Houston, Southern District of Texas area.

One other thing relative to, you know, his propensity for truthfulness, Mr. Siddiqi was standing right next to Mr. Khurram when they're purchasing tickets for Pakistan, and the ticket agent represents to law enforcement that she said that he was her husband. He didn't correct that misconception. I don't know why they decided to do that, to not be truthful. I don't know why Ms. Khurram decided to not be truthful when she was asked later on. But, you know, obviously the inference is that, you know, they're suspicious about what anybody may know about what they're doing together or not.

He may be a very good father to the young ladies that have just come in here and testified, but there's no getting around the fact that he's seated in the jury box today and next to his mistress. There's no getting around the fact that his wife called -- or his daughter has called the police because Mr. Siddiqi was choking his wife.

We're also talking about a man who's involved his own children in his narcotics related activities. His 22 year old daughter making regular deposits that are structured into accounts on his behalf. His elementary school age son using the money counter routinely for him and lining up the presidents all in the correct direction on his behalf. That same elementary school son giving away hundreds and twenties at school that he's taken from his father.

Mr. Siddiqi represents that he's the president of Smoke 420, and the president of a company called Fast and Easy. Those are names that are -- you know, Fast and Easy, emblematic of the drug culture and the quick and easy money that comes along with it, Your Honor. Smoke 420 is a name associated with marijuana and its associated culture.

Mr. Siddiqi -- you know, Mr. -- Agent Semrick testified that we have identified a little over $3 million in appraised properties that Mr. Siddiqi's purchased between 2013 and 2015, and Mr. Schaffer asked questions about, well, you know, what else haven't you found, or what else have you found. We don't know what else we haven't found. But we do know that he was generating enormous sums of money by engaging in this behavior. One of our concerns is what we don't know that we haven't found.

Between 2013 and 2014 -- or '15, a man has purchased over $3 million of properties, and yet the tax returns that we've seized indicated that in 2010 this man generated $37,500 in total income. In 2011 he generated $34,060. In 2013 approximately 90,000. And in 2014, he broke six figures for the first time, 107,000 and change. That represents a dichotomy between what is clearly a significant amount of inexplicable income. He's also got multiple cars that are in his name, and you can't do that with having generated less than, I don't know, what does that add up to, less $300,000 since 2010.

So, Judge, the Government's position is that the presumption in this case hasn't been rebutted and that, in fact, Mr. Siddiqi is a danger to the community and there is no condition or combination of conditions that can assure his appearance in court.

THE COURT: Do you have a response?

MR. SCHAFFER: Well, again, it seems that the prosecutor is confusing what this hearing is about. It's not about guilt/innocence, because under 3142(g), one of the factors that you do take into consideration is weight of the evidence against the accused. There's many other factors. And the Government -- we did come forward with the evidence, the burden of production is on us. And we did bring you evidence about significant ties to the community.

But all of the Government's evidence centers around whether this guy's guilty to not. We haven't heard one thing from the Government's witness to suggest to you that Mr. Siddiqi's a flight risk. And even though the prosecutor wan't to minimalize it, think about what happened on May 6 when they following Mr. Siddiqi to the airport. And they know there's an indictment, they have a warrant for his arrest, they know that he's flying to Pakistan, and they let him get on a plane and fly away. And the reason they do that is because they know he's coming back.

Now the prosecutor says, Well, he didn't know there was an indictment. But he knew there was some investigation for almost two years. They'd raided his house twice. He had come into to hire me and I called the prosecutor. He knows what's going on. He knows there an investigation. We all knew there was.

But this is his home. His ties are here, his kids are here, his house is here, all of his assets are here. His friends are here. This has been his home for 25 years. And what the Government can't produce, which they could produce in other cases, is evidence that would be consistent with somebody who's prone to fleeing, use of fake names, use of false identification, future travel plans, people have disappeared for periods of time. And yet every time they want to find Mr. Siddiqi, he's in the house where he's been for 15 years. He's got seven children. You heard from two of them about experiences they've had where this man is their dad as far as they're concerned. Not their step-dad, but their dad.

It tells you a lot about his character and character is one of the things you look at under 3142(g) as well, reputation in the community, ties to the community. The prosecutor points out, Well, he's got a criminal history. Yes, and it looked like he had a whole bunch of felonies. It turns out they're misdemeanors. The most recent was five years ago. And the significant thing about that is, in a lot of the cases that are before -- that you see in the Pretrial Services report, he has no history of bail jumping, which is what this hearing was supposed to be about, no history of bail jumping and no violations of the misdemeanor probations that he got five years ago. So does he respond well to supervision? Absolutely he does.

The test before this Court is whether he poses a risk of flight, which I think we've adequately dealt with and whether he's a danger to the community. The allegation of course is that he is manufacturing and selling fake marijuana. And we brought out through the Agent, to because it downplays the seriousness of it, but, you know, up until 2013 these, what are now controlled substance, were legal. And then in

2013 and in 2014 they go into -- they belong analogs, and then in 2014, 2015, sometime in late 2015, they become controlled substances.

And so the allegation is, is that throughout that period of time, 2014, 2015, my client was involved in manufacturing and selling these chemicals, or this product, and that's what makes him a danger to the community. And think about this, the evidence against him, from what you hear today, has to do with phone calls recorded during a two-month period in 2014. And I don't know how many of these intercepted phone calls there are, but you heard about two between who and Mr. Alsalomeh? They didn't go back for authorization for another 60 days, which you know from having been on the bench for many years, typically these interceptions go on quite a long time until they get the evidence they need to make the case.

They did this for two months. They searched his house in September of 2014. They searched the property in Onalaska in 2016 -- I mean, I'm sorry, 2015, a year ago. Outside of that in last year there's been apparently no investigation that yielded any results that would indicate that this man's a danger to the community. So from what the testimony seems to indicate, if he was a danger to the community, he was a danger to the community in 2014, he was a danger in the community 2015, and if they really believed he was a danger to the community, they would have had the right and the responsibility to remove him from the street then.

Why would they allow him to stay on the street endangering the community during a two-year period if they really believed he was a danger to the community? Instead, for whatever reasons, September 5 -- September of 2015 -- I'm sorry, June of 2015 the investigation just stopped. So now they want you to come in and say, Based upon the fact that we think he was a danger in 2015 and 2014, we want you to assume he will continue to be a danger, even though we don't. And that's why we let him stay out on the street for a year.

The test is, is he going to be a danger to the community while on bond. What you have before you is the last year when there's no further allegation that since that raid in Onalaska a year ago, that he was engaged in type of criminal or illicit behavior. There's also indication from the fact he came from Pakistan that he's not a risk of flight.

But let's assume for sale of discussion, you say, Well, the Government did produce evidence that he could potentially be a risk of flight, he could potentially be a danger. Then the test is, can is this -- and you can find that he is -- that he does pose a risk of danger of flight, but then the question becomes are there conditions that could be imposed that would satisfy this Court that he would not pose a danger to society or be a risk of flight. Are there conditions you could impose? Absolutely you could.

I don't think he needs any extraordinary conditions, but perhaps if I was the Magistrate I would require house arrest or electronic monitoring with a curfew, things to ensure that he is confined to a smaller area where you minimize contact with other people are charged in the case, any potential witnesses, and even restrict it to visits with his lawyer, religious, or health reasons, or to come to court.

And that's important, Judge, because this case is getting -- we have four terabytes of evidence according to what the prosecutor told you. You know this case is not going to trial for a year or more. It's going to take them probably several months to produce that amount of evidence. It's going to take us three or four times as long to look at the evidence. These phone calls that were intercepted from what I'm told are in Arabic. So they're all going to have to be translated because none of the lawyers over here speak Arabic. That's going to be a year before we get to trial, and it's not fair to him to keep him locked up for a year based on conjecture and speculation that, well, he could be a danger or a risk of flight.

If he was, and I don't think there's been any evidence to the fact that there was, that was a year or two ago. But there's nothing in the last year that should suggest to you that the conditions you would impose, curfew, monitoring, house arrest, enhanced reporting, co-signers, whatever it would take to satisfy this Court, he's going to comply with it.

And it think you see one thing you can do is you see the love between the children who testified and Mr. Siddiqi. Let them be co-signers. These kids are willing to do that. He's not going to hurt them. He's protected them, as you heard for over 20 years. He became their father. He was there for them. This man's not going anywhere, Your Honor. And I'd ask that you set reasonable conditions, because we did rebut the presumption.

THE COURT: Okay. So who's going to cross-examine next?

MR. DOYLE: I'll proceed, Your Honor.

THE COURT: Back on the witness stand.

CROSS-EXAMINATION OF JAMES SEMRICK

BY MR. DOYLE:

Q Agent Semrick, I'm Paul Doyle. You and I have never met before, have we?

A No, sir.

Q I represent Salem Tannous. And first I want to start with the arrest of Mr. Tannous. You all called Mr. Tannous and told him that his jewelry store was burglarized. Correct?

A Yes, sir.

Q And he immediately went to his jewelry store like any

good business owner would do. Right?
A Yes, sir.
Q And you all placed him under arrest.
A Yes, sir.
Q You subsequently searched his store. Correct?
A Yes, sir.
Q And there was some testimony about gold in the store, but there was also jewelry in the store. Correct?
A Yes, sir, a majority was gold -- jewelry, I'm sorry.
Q There were necklaces?
A Yes, sir.
Q They're rings?
A Yes, sir.
Q They were items that a person who sells jewelry has in a jewelry store. Correct?
A Yes, sir.
Q One thing that wasn't in the store was any kind of synthetic marijuana, any of these Schedule 1 substances that he's been charged with. Correct?
A That's correct.
Q There weren't any wrappers.
A That's right, on this occasion, no, sir.
Q There was -- well, on any occasion at his jewelry store did you find -- did you find evidence of synthetic marijuana.
A No, sir.

Q Okay. What you found was gold and jewelry. Right?
A Yes, sir, and a pistol.
Q Okay. And a pistol. Let's talk about that. Any reason to believe that Mr. Tannous is a dangerous person?
A How would you constitute that, I mean --
Q Well --
A -- to me selling synthetic cannabinoids to the public is a danger.
Q -- have you -- do you have any evidence that he has been violent towards anybody else?
A We had informants that stated that he was involved in a shooting, I believe he may have been shot --
Q Correct.
A -- in the past.
Q And, you know, that shooting -- did you do research on that?
A No, sir.
Q You didn't follow up on it?
A No, sir.
Q Are you aware that he was the star state's witness in a robbery case where he had been robbed and shot and left for dead?
A No, sir, I was not aware of that.
Q The State relied on him as a witness 12 years ago and the individual who shot him ended up getting 15 years in prison.

A I was not aware of that, no, sir.
Q Were you aware that he was shot in the neck and he was left paralyzed for some period of time and then it -- had a colostomy bag and has numerous surgeries since then?
A No, sir, I was not aware of that.
Q So other than Mr. Tannous being a victim of a robbery, you have no other evidence to this Court of Mr. Tannous being violent towards anybody else. Correct?
A No, sir.
Q Okay. Now I want to go back to the search of his residence. What was the date of that?
A I think it was May of 2013.
Q 2013. And when you searched his residence, and I don't want to overlap too much on what some of the cross that the two previous lawyers for a matter of efficiency, but 2013 these substances were defined differently. Correct?
A Yes, sir.
Q They weren't Schedule 1. Correct?
A Correct.
Q The law has since changed. Right?
A Yes, sir.
Q And can you tell the Court how much -- or what illegal substances you found in his house?
A A small amount of synthetic cannabinoids packages.
Q Well, but you found packages. I'm talking about

substance. How much -- what type of substance did you find in his house?
A I believe it was XLR-11.
Q Was it packages? My --
A Oh, no, sir, it was the finished material in the -- the plant material where it could be smoked.
Q So --
A It was depicted in the photo, the one package with the --
Q At that time --
A -- rolling papers.
Q -- though that was not illegal. Correct?
A I'd have to check the lab report, it may have been by a few weeks. It may have been a Schedule 1.
Q Since then can you identify a time where Mr. Tannous has been in possession of any of these illegal substances?
A Possession, no, sir.
Q Can you tell the Court since 2013 any evidence that you've ever found that Mr. Tannous has manufactured -- has had a warehouse like we've heard testimony on others where he's manufacturing thee substances?
A Let me see, I'm trying to recall -- I believe there's mention of brothers, that they had a manufacturing location.
Q I'm talking about Mr. Tannous, Agent. What --
A Yes --
Q -- what evidence do you have where you put him in a

warehouse or in a location that he controls where he's manufacturing or putting together and packaging these substances?

A Where he has his hands it, no, sir.

Q In terms of physically delivering these packages, we've heard testimony about people getting stopped with their cars and there's packaging in their cars. Have you ever seen him physically delivering these substances?

A No, sir.

Q In terms of his store, you put up a pole camera, and when did you do that?

A I believe it was October of 2015.

Q Okay. And you said you saw individuals who was associated with this trade go in is store. Correct?

A Yes, sir.

Q You also saw legitimate customers go in his store too. Correct?

A Yes, sir.

Q Who purchased jewelry from Mr. Tannous. Correct?

A We couldn't see through the window, just the parking lot.

Q No reason to believe that these other people that went in his store were there for anything other than to purchase jewelry. Correct?

A I couldn't determine that, I'm sorry.

Q Well, they certainly weren't associated and you've done a four-year investigation on this with your investigation. None of the people going in the store were associated with your investigation, or at least a portion of the people that went in.

A A small portion, yes, sir.

Q Okay. In terms of traveling, you checked his travel history out. Correct?

A Yes, sir.

Q He's been -- he has traveled out of the country in the last six years no more than four times. Correct?

A I can't recall. I did run them, but --

Q There wasn't anything that raised a red flag to you with regard to Mr. Tannous and his travel.

A His foreign travel, yes, sir.

Q Other than that, nothing.

A No, sir.

Q And you know because his brother is part of this investigation. He's in Virginia. Right?

A Yes, sir.

Q And you were part of the investigation looking after his brother. Right?

A Yes, sir.

Q He's a citizen. Correct?

A I believe so, yes, sir.

Q Been here for 22 years, since 1994 if my math's right.

Correct?

A Yes, sir.

Q His parents live with his brother in Virginia. Correct?

A I did not know that.

Q His ties are all here in the United States. He has a 16 year old daughter. You're aware of that. Right?

A He mentioned something about his daughter, but --

Q Well, you know he owns a house. Right?

A Yes, sir.

Q And then he rents a house.

A Yes, sir.

Q And you -- do you know that his daughter lives in the house that he owns with his ex-wife?

A I did not know that, no, sir.

Q Okay. But the house you searched is the one that he's leasing. Correct?

A Yes, sir, the apartment in 2013. Yes, sir.

Q Okay. Now in terms of calls that you've listened to, what period of time were you listening to Mr. Tannous's phone calls?

A I don't believe we had any recorded phone calls here in Houston. They may have had some recorded calls in Washington.

Q Okay. And what period of time was that, sir?

A I believe it was possibly September to October.

MR. JOCHER: Mr. Doyle, which Tannous are you talking about? Are you still talking about --

THE COURT: Pardon?

MR. DOYLE: I'm sorry. I'm talking about --

MR. JOCHER: -- I'm just asking which Tannous he's talking about.

MR. DOYLE: -- the same one --

MR. JOCHER: I'm confused.

MR. DOYLE: -- my client. My client.

MR. JOCHER: Because there are two Tannous brothers, Your Honor. I was --

BY MR. DOYLE:

Q I'll be specific. I'm specifically talking about --

A That's the way I understood it.

Q -- my client. Yeah.

A Yes, sir. I mean I believe it was September through October of last year.

Q Okay. Any other time period you had listened to his calls?

A No, sir.

Q You had -- there was a slide that came up, it seems like forever ago, that talked about make it stronger. Who -- was that a statement that was recorded?

A No, sir, it was not.

Q Who told you that he said that?

A A confidential source.

Q And when did that person say that Mr. Tannous made such a statement?

A I believe it has been in 2012.

Q 2012.

A Yes, sir.

Q Okay. Now from 2013, '14, can you tell the Court if he owned a smoke shop, if he owned a 420 smoke shop or had a store -- we've heard the testimony about stores that are cell phone stores but then have all this product in it. Can you tell the Court whether or not he owned one of those, or ran one of those?

A Yes, sir, he ran Salem's Wholesale initially on Harwin and then vacated the property and handled business through his van.

Q That was in 2013, 2012. Correct?

A Yes, sir.

Q Okay. And so in terms of handling property in his van, can you tell the Court a time where you went to his van, or you sent a confidential source to a van where somebody purchased this substance from him?

A No, sir.

Q Okay. I guess in that instance you're just relying on another confidential source?

A Yes, sir.

Q You sent an individual, a Matt Russell, into his store.

Correct?
A Yes, sir.
Q Matt Russell went at your direction. Correct?
A Yes, sir.
Q You all, I assume, wired him up.
A Yes, sir.
Q Are you aware that Matt Russell has a drug problem?
A No, sir, I'm not.
Q Have you all, as part of his deal, allowed him to buy, use and sell drugs?
A I'm sorry, sir?
Q Have you all given him the authority to use illegal drugs?
A No, sir.
Q Buy illegal drugs?
A Under controlled circumstances, yes, sir.
Q Has he bought any and has he been given any directly from Salem to him?
A No, sir.
Q Okay. Now when he went there with your direction, my understanding, and correct me if I'm wrong, is he wanted to do an exchange of money for gold. Right?
A Yes, sir.
Q And I may not have heard this right, so just make sure that -- I just want to make sure I'm accurate. Did you say

that at the end of the transaction, after you guys set him up, you tell him what to say, you tell him to go in there, Mr. Tannous, Salem Tannous told him, Well, we're going to have to document this, you're going to have to a receipt. Right?
A Not in that way, but, yes, sir, that he would --
Q That --
A -- document it on a --
Q -- this was going to be documented.
A Yes.
Q This isn't going to be some under the table deal. Right?
A He was going to document it, yes, sir.
Q Right. And Mr. Tannous didn't know he was a confidential informant. He didn't tell him that, I'm sure, beforehand. Right?
A Correct.
Q Okay. So nothing wrong with what -- nothing wrong with what he did, having a conversation about exchanging gold for money. Correct?
A Not in the context where we were talking about old money and money from old friends -- or business from the old business -- I'm sorry, friends in the old business.
Q Well, if it were going to be -- there's been some talk about illegal behavior and using code. If somebody's going to engage in illegal behavior, they're not going to request for that behavior to be documented, are they? That would be odd,

wouldn't it?
A No, sir, they could try to make it look legitimate by providing a record.
Q Well, that's not what he said.
A I'm not saying it's going to be an accurate record.
Q That's not what he said. Right? He just said he wanted it documented. Correct? I mean you're making some --
A In that he would document --
Q -- assumptions there. Right?
A Yes, sir. Yes, sir.
Q Okay. And just as you assumed that there's something untoward about this, his intent could be the exact opposite. You don't know that. Right?
A I doubt it, but it's possible, yes, sir.
Q Well, you don't know that, just to be fair.
A No, sir. No.
Q Okay. When you listened to his calls and you surveilled him, anything that you witnessed that would indicate that he would, for some reason, flee this country?
A If he's looking at 10 years or more he may want to say get of here, he's going to head back to --
Q Well, I've heard --
A -- wherever he's from.
Q -- I've heard about -- and we've heard a lot of testimony about forged passports, helping people get

passports. You don't have any evidence of that with regard to Mr. Tannous. Correct?
A No, sir.
Q You know all of -- you know his basic family is here in Houston. Right? He's currently married.
A Well, he has a -- or there's another Tannous Jewelry in Ramallah, so I mean that would be a concern to me.
Q Okay. Who owns that?
A I would imagine it would be family. You're talking about the family here in the US, but I imagine he's got family over in Ramallah that probably has a sizeable amount of assets as well.
Q Where -- how do you -- other than there's the name Tannous on it, what evidence do you have to show the Court that he's doing business with them, that he has any intent to go there, that he's been there to do business?
A What I see is, if you look at it on Facebook, you'll see Tannous Jewelry here in Houston, and you'll see the people who like it are all the same people who like it in Ramallah. So to me they're going to be associated.
Q Okay. Other than people liking something on Facebook, you don't have any other evidence that A) he's connected to that, or has any intent to go there. Correct?
A We do -- when we interviewed a cooperating defendant in California he stated that they do have joint access to the

jewelry stores, the one in -- here in Houston and one in Ramallah.

Q That they who?

A The Tannous family.

Q Not Salem.

A The man I saw at the Houston Tannous Jewelry?

Q Right. That's his store. Correct?

A Yes, sir. With his brother.

Q That's the store he's at, if you want to find him, you can go to his store and find him there. Correct? When you guys called him to say there's a burglary, he was there immediately.

A Yes, sir.

Q And he was also cooperative with you, isn't that true?

A Yes, sir.

Q Okay. I think I may have asked this, but after you searched his house in 2014 -- 2013 --

A Yes, sir.

Q -- obvious evidence of an investigation on Mr. Tannous. Correct?

A Yes, sir.

MR. DOYLE: And I don't want to be redundant, Judge, with some of the other stuff, but -- some of the testimony we've already had.

BY MR. DOYLE:

Q But he didn't go anywhere. Right?
A Correct.
Q You all have Mr. Tannous just charged with one count. Right? Just the conspiracy count.
A Yes, sir, I believe that's correct.
Q No other counts. Correct?
A Not that I'm aware of -- that I can recall, I'm sorry.
Q Okay.

(Pause in proceedings.)

MR. DOYLE: I pass the witness, Your Honor.

THE COURT: Okay. Are you going to call any witnesses or make a proffer?

MR. DOYLE: I'm going to make a proffer, Your Honor.

THE COURT: Why don't you do that now.

MR. DOYLE: Okay. Your Honor, here on behalf of Mr. Tannous is his ex-wife, Zamia (phonetic), if she could stand up. There is Maha Zaroo (phonetic), who is his sister.

THE COURT: Do we need the screen anymore?

UNIDENTIFIED SPEAKER: No. No.

THE COURT: Go ahead and --

MR. JOCHER: The Government doesn't, Judge. I don't know --

MR. DOYLE: I'm good without it. There's Iza Alzar (phonetic), which is his brother-in-law from Virginia. And his wife Katie Tannous. And first of all, I proffer on behalf of his ex-wife Zamia that they have a 16 year old daughter, and I have -- who has a severe medical condition. He supports her, she's I believe a junior at Stratford High School. She's currently in the hospital right now. I brought some medical records, a package here, that I'm going to mark as Defendant's Exhibit 1.

(Tannous Exhibit 1 marked for identification.)

MR. DOYLE: I ask the Court to look over them, and John too. They would prefer to keep it private.

THE COURT: Sure.

MR. DOYLE: You'll see the extent of her --

THE COURT: Have you looked at them yet?

MR. JOCHER: I have not, Your Honor.

MR. DOYLE: I haven't shown them to John.

THE COURT: He should go first.

MR. DOYLE: Yeah.

THE COURT: Go on.

MR. DOYLE: Take a look at that. That -- to take a look at it, but she would say that he is very active in assisting in her medical care. They have a doctor that they regularly go to. She's obviously a big part of his life and he's obviously a big part of her life. In terms of any risk of flight, she would tell you he's not going anywhere, he's always going to be here for his daughter.

THE COURT: Okay.

MR. DOYLE: His sister would tell you that their parents live in Virginia, all of their immediate family is here in the United States. They do not go -- they don't go to Jordan frequently, if at all. I mean he's been four times I believe in the last six years. All of his business ties are here and the family's here. So in terms of having their immediately family in the United States, they're all here, and that he's a citizen.

His wife Katie would testify that he's a good husband, he's a man of character, that he supports her, he's hardworking. She is also a citizen. She brought his passports and I have them to tender to the Court if there's any kind of concern of flight out of the country.

His brother-in-law would testify that he's a good father, that he's a good man, that he's going to stay here and face the charges. Obviously since 2013 they knew that there was an investigation, and he didn't go anywhere.

In fact -- and then -- and that -- I guess -- I think I already said this, but his -- he has -- his wife would tell as a proffer that he had been shot. And he told Pretrial that his health is good. I don't think he -- I think he was trying to be just -- I don't think he understood what the importance of that question was. But he's a 55 year old man, he's frail, he was shot in a robbery and has had surgeries, multiple surgeries since then.

He's got his own doctor and medical needs here. He's got a regular doctor that would be here that he needs to be able to see and treat because it is a unique injury that he had. That she would testify that this -- the shooting that he was involved in, it was on video, he was literally shot in a store, left for dead where you could see him on the -- bleeding out. It's by the grace of God that he's even alive. And that he does have serious medical needs from that.

THE COURT: Okay.

MR. DOYLE: Okay. And that's the proffer on behalf of --

THE COURT: All right. Thank you.

MR. DOYLE: -- Mr. Tannous.

THE COURT: Who else wants to cross-examine this witness?

MR. JOCHER: Judge, can we go ahead regarding Mr. Tannous and then --

THE COURT: Okay.

MR. JOCHER: -- go on to the next one?

THE COURT: Go ahead and do argument.

MR. JOCHER: Do you want to look at --

THE COURT: Yes. Go ahead.

UNIDENTIFIED SPEAKER: Now it's two things. I want to say something.

THE COURT: No.

UNIDENTIFIED SPEAKER: I'll probably go -- can I?

THE COURT: No. Go ahead and do argument.

UNIDENTIFIED SPEAKER: It's nothing against nobody.

UNIDENTIFIED SPEAKER: We've got it.

THE COURT: Please.

MR. JOCHER: Thank you, Your Honor. Judge, Mr. Salem Tannous is one of two brothers involved in what is an enormous synthetic narcotics distribution business here in Houston, generating enormous sums of money. During a search warrant of his home in 2013 agents took $90,000 in cash out of his house. In a traffic stop a year later that was random there was over $50,000 in his possession in the vehicle. Those are significant assets that are relative to ability to take flight.

We're also talking about -- Mr. Doyle addressed the fact that there's a bunch of jewelry in this store and, you know, it was anticipated that you would have jewelry in a jewelry store. I agree. That's the logical assumption. But that's the reason that I asked Agent Semrick the question about drug trafficking. He's got a million dollars worth of inventory, or nearly a million dollars worth of inventory in this store and yet you don't have commensurate foot traffic that would support anybody being able to finance that sort of business operation. You've got a man who's got a total of $11,000 worth of wages reported to the Texas Workforce

Commission. Yet nearly sitting on million dollars in cash, randomly has, you know, nearly $100,000 at his residence, $50,000-plus in the back of his Mercedes.

Those are assets that are being hidden in plain sight to him. When he's asked about what he has in there, it's not, Well, I have an inventory that's where I can show you what I have, because I document the things that I keep in my business. You refer to it in kilograms. This is commodity thing. These aren't individual pieces of jewelry, it's 21 -- 21.5 kilos of gold. That's a commodity, that's an asset that's hidden in plain sight in this case for which he has no real explanation for how he acquired legitimately.

Mr. Tannous -- Mr. Doyle asked, What is his connection to any sort of manufacturing site that's going on. Well, the answer to that is, we know that Abdalnour Izz routinely makes his home in Mr. Tannous's jewelry store. That's where he comes and goes from on a routine basis. We know that Abdalnour is -- went with Mr. Tannous to the confidential source's place of business on camera in order to collect a significant synthetic narcotics debt.

And we know from Frank Muratalla, who's talking to the Government about the manufacturing site located on Gulf Crest, that there is one person who would come and collect synthetic that he would produce for the Tannouses, and that was Abdalnour Izz. There was also one person who would drop off money to Frank Muratalla for payment for those narcotics, and that's Abdalnour Izz. So there is a nexus between Mr. Izz and the Tannouses and the manufacturing site.

Not every person who's involved in generating these sort of assets illegally is a hand's-on criminal. And that's the role that Mr. Tannous has filled in this instance. You know, is he a dangerous person? Well, we have a comment that I volunteered to the Court through Agent Semrick where he offers his position about these narcotics, Make it stronger. That --

THE COURT: I remember.

MR. JOCHER: -- that should impugn a certain amount of dangerousness to Mr. Tannous when he's willing to have these poisons kill people who are going to use them.

THE COURT: Okay.

MR. JOCHER: And, you know, I'm talking about people who are stable users. Mr. Tannous's Pretrial report is consistent with him using, that he uses cannabinoids on a weekly basis, and, in fact, when they searched his home in 2003, they found synthetic cannabinoid there along with rolling papers that he used to smoke synthetic cannabinoids, and we've proffered a picture of him, one of Government's exhibits, to that effect to the Court.

Mr. Tannous has no legitimate source of business -- or of employment. Relative to the Matt Russell comments, his whole relationship with Matt Russell is based on synthetic narcotics. That's what he did with Matt Russell. At one point Matt Russell was supplying Salem Tannous with hundreds of thousands of dollars of synthetic cannabinoids that Mr. Tannous was paying him for. And so when Matt Russell walks into his store and tells him, I've got old money that I need to convert into gold and can you help me, Matt Russell's position, when he was talking to Agent Semrick, is he knows what I'm talking about. And when they're talking about a receipt, Mr. Tannous says, I can give you a receipt to make it legitimate.

THE COURT: Okay. Good. Any response?

MR. DOYLE: Yes, Your Honor. First of all, in terms of any kind of substance abuse, we -- the Court can put conditions on him, he can do counseling if that's an issue, he can get tested, that's a non-issue in terms of whether or not he's going to be a flight risk. In terms of ties to foreign countries or traveling, we have the passports, we can turn them over.

In terms of, you know, criminal history, he has what's the equivalent of a speeding ticket. It's a classy fine of $100. So he has no criminal history.

You know, so in terms of flight risk, all of his family's here and he's in a unique position because, number one, he has medical needs, and number two, his daughter has, as you can see --

THE COURT: Let me hand you back her records.

MR. DOYLE: Okay. Thank you. Serious, serious medical needs. And he's a big part of that. He's 55 years old and I appreciate this comment that somehow is attributed to him that's not recorded that comes from years and years ago, but if you know the evidence that came from Agent Semrick, it's -- they have him touching this stuff in 2013 potentially at his house. Since then they don't have him in a warehouse, they don't have him making it, they don't have the evidence as it relates to -- other than some confidential source that's working for him and goes in and tries to do a deal and he says, Let's do it legitimately.

I mean, you know, and this case is going to be -- this case is going to be a lengthy case, and it's going to be a lengthy fight. And they don't have the same -- that's why he's been charged with only one count, and that's why all we hear is what people say about him, not him actually moving product. He's not a flight risk, Judge. We've provided the presumption. He's not going to be a danger. He lives here, his family's here, he's not -- he's not going anywhere.

THE COURT: Okay.

MR. DOYLE: Thank you.

THE COURT: Thank you. Who else is cross-examining this witness?

MR. CUNNINGHAM: I am, Your Honor.
THE COURT: Okay.
MR. CUNNINGHAM: David Cunningham.
THE COURT: Got your microphone near you?
MR. CUNNINGHAM: I do.
THE COURT: Okay. Go ahead, Mr. Cunningham.

CROSS-EXAMINATION OF JAMES SEMRICK

BY MR. CUNNINGHAM:
Q Agent Semrick, I want to talk first about Mr. Alsalomeh. There was a course of phone calls between -- there was a course of phone calls between Mr. Qadus and Mr. Alsalomeh. Correct?
A Yes, sir.
Q And you're aware of that call history. Correct?
A Yes, sir.
Q How long did that call history last?
A About two months.
Q Okay. From when to when?
A Late June 2014 till late July, early August, I can't recall.
Q Okay. And do you know how many phone calls there were between them?
A I would estimate between 50 and 100, I'm not exactly sure how many.
Q Okay. One of the -- and it's your position that

Alsalomeh was a source of supply for Mr. Qadus. Correct?
A Yes, sir.
Q Okay. Earlier in the day the Judge saw Slide Number -- or Slide Number 36. That was the slide that talked about two events from June of 2014. The first one, June 24, was Qadus's conversation with Alsalomeh about the strength of Mr. High. Correct?
A Yes, sir.
Q Mr. High being, I would assume, a brand name for the substance. Correct?
A Yes, sir.
Q And then on September -- excuse me, 6/27, June 27, 2014, there's a conversation between the two of them dealing with product. Am I right? I'm talking 8,000 -- I think there was a discussion about 2,000 units for Mr. Qadus.
A Yes, sir.
Q And -- correct. You know which one I'm talking about?
A I believe so, yes, sir.
Q Do you know if that transaction ever went through?
A We didn't seize the drugs from that transaction, so.
Q Well --
A It was discussed.
Q It was discussed. But did you -- when I talk about you I'm talking about the role of law enforcement. Did law enforcement see the transaction go down?

A I know we took some photographs where he took possession of black garbage bags and put them in the bag of his vehicle. I'm not sure if it was on that date or not.
Q He being?
A I'm sorry, Hazim Qadus.
Q Okay. The substances, we don't know the exact substance that was transferred, if at all. Correct?
A Correct.
Q So we don't know whether it was a controlled substance or an analog. Correct?
A That's correct.
Q Okay. Now I want to jump ahead, now I want to talk to you now about March 18, 2015. This is a day -- were warrants run at the phone store and the storage facility on the Gulf Freeway?
A Yes, sir.
Q Okay. Were you present at either of those locations that day?
A At the cell phone store.
Q At the cell phone store. Okay. Let me talk to you about the storage facility. You said that the storage facility and the cell phone store were across the street from each other. Correct?
A I believe they are, based off the 9330 and 9331.
Q Right. And in reality they're across the Gulf Freeway

from each other. Correct?
A Yes, sir.
Q Okay. Have you -- on March 18, 2015 was Mr. Qadus seen at the storage facility?
A On that day, no, sir.
Q Okay. Previous surveillance had placed him at that location?
A Yes, sir.
Q Had you personally seen him at that location?
A No, sir.
Q Okay. So your knowledge is drawn from either talking to other agents or reading their reports. Correct?
A Yes, sir.
Q Based on that source of knowledge, what did your fellow officers report as his activity at that location, what was he doing there?
A Opening the -- he may have opened it on his own or someone else may have been present and he was retrieving bags from --
Q And do you know when that might have happened?
A It would have been during that two-month period with the recorded phone calls.
Q June to August 2014?
A Yes, sir.
Q Okay. That day -- we're now up to March 18, 2015, the

search of the storage unit. Was there anything in that unit that indicated that he had control of that unit?

A I don't recall anything else, sir.

Q Jumping ahead, he was detained and interviewed by law enforcement across the street at the cell phone store. Correct?

A Yes, sir.

Q Do you have -- know whether or not on his key chain, anywhere in his car, he had a key or any other device that would allow him to access the interior of the storage unit?

A No, sir.

Q Okay. You didn't see that?

A No, sir, I did not see it.

Q Okay. He's certainly not on the lease or anything like that for the storage unit, is he?

A I don't believe he was.

Q Do you know who is?

A I believe it was Husnar Ramen (phonetic).

Q Okay. I want to talk to you about the phone store. When did the phone store first get law enforcement's attention?

A It was the subject of numerous citizen complaints about the amount of drugs being sold out of it.

Q When did law enforcement start following up on those complaints?

A We made controlled purchases from the location. I

believe it was in February of 2014.
Q Okay. In February of 2014. Now let's trace the history of that phone store. You know that one time that phone store was Azel Phone Store and it was run by Mr. Qadus. Correct?
A Yes, sir.
Q You are aware that that phone store was -- in fact, been sold to others. Correct?
A I didn't know that, I'm sorry.
Q Okay. It became the A&Z Store. Correct?
A Yes, sir.
Q Okay. A standing for Ziad Alsalomeh, the A in Alsalomeh. Correct?
A I wasn't aware of that.
Q Did you ever see Mr. Alsalomeh at that store?
A Yes, sir.
Q How often?
A Fairly frequently -- or law enforcement did, I never saw him there.
Q Right. And based on those reports did it appear to you at a certain point that Mr. Alsalomeh took control of that store?
A No, sir. I'll be honest with you, it seemed like Alsalomeh, Ali Tafesh and Hazim Qadus --
Q Okay.
A -- all had --

Q Well, let's talk --
A -- to the store.
Q Let's talk about Ali Tafesh. He was -- he's a defendant in this case, he's Defendant 8. Correct?
A Yes, sir.
Q And he started to appear at that store on a regular basis. Correct?
A Yes, sir.
Q And I'm assuming officers had that under surveillance and could watch what was going on inside the store. Correct?
A In the parking lot, yes, sir.
Q And I'm assuming that there were some controlled buys at this time --
A Yes, sir.
Q -- from the store? In any of the controlled buys was Mr. Qadus inside the store making the sale?
A No, sir.
Q Okay. You were present when he -- well, let me close this down. Did you know that in June of 2014 he filed papers, he and Mr. Qadus filed papers with the Secretary of State closing down the corporation that owned that store. Correct? Did you know that?
A No, I didn't know it.
Q Okay. Now you talked about at least that you felt it was Qadus, Alsalomeh and Tafesh that were at that store, running

the store. Is that what your statement is?
A Yes, sir.
Q Who was there more often of the three?
A Ali Tafesh.
Q Okay. And who would be second?
A Probably a tie between Alsalomeh and Hazim Qadus.
Q And what do you base that on, just the reports of fellow officers?
A Yes, sir.
Q Okay. Is there a report from any of your fellow officers that it was Mr. Qadus that was selling any of the product out of that store?
A No, sir.
Q Okay. So we have no controlled buys linked to him and no officer surveillance linking him to a sale. Correct? We have --
A Inside the store, no, sir.
Q -- we have him present at the store. Correct?
A Yes, sir.
Q When -- were you present in the -- at the store when officers made contact with him on March 18?
A Yes, sir, I interviewed him.
Q Tell me how that happened.
A When we had the safes outside with the fire department opening them with the saws, I recognized his vehicle as he

pulled up and parked past the store.
Q And how is it that law enforcement made contact with him?
A And officer walked up to him and, you know, asked to speak to him.
Q Okay. And what happened next?
A He complied and came out and I interviewed him and he provided consent to search his vehicle.
Q Was he ever handcuffed at any time?
A I can't recall that. He wasn't handcuffed when I talked to him.
Q Okay. And how long did you talk to him?
A About 30, 45 minutes.
Q Okay. Was that conversation recorded?
A No, sir, it was not.
Q Did he tell you that Ali and -- Tafesh and Ziad Alsalomeh were the owners of that store?
A I believe so, yes, sir.
Q And did he explain to you that he had sold the store?
A Yes, sir, he did.
Q Okay. And that they were running the store in their name. Correct?
A I don't remember him saying they run it in their name, but he said they're running the store.
Q Okay. And at some point a postal -- the mailman came by with the mail. Correct?

A Yes, sir.
Q And there was mail addressed to my client. Correct?
A Yes, sir.
Q And do you remember what sort of mail it was? Was it a bill, was it junk mail, any idea?
A No, sir, I don't recall.
Q Did you happen to save -- take into evidence the mail that was delivered to show a link to that?
A Yes, sir.
Q Okay. But at this point you don't remember what it is. Correct?
A Correct.
Q He gave you consent to search his phone as well as consent to search the vehicle he was in. Correct?
A Yes, sir.
Q In that vehicle you discovered two packets of synthetic cannabinoids. Correct.
A Yes, sir.
Q And he admitted that was for his personal use. Correct?
A Yes, sir.
Q Okay. Was he present when -- I think the testimony was about nine and a half kilograms of product was discovered hidden inside the store. Correct?
A I'm sorry, what's the first part of that?
Q Sure. You said nine and a half kilograms of product was

discovered inside the store. Correct?
A Yes, sir.
Q Was he present when that was discovered?
A Yes, sir, he was.
Q Was he questioned about that?
A I can't recall if I asked him that specifically.
Q Okay. If memory serves me correct, though, the product was found hidden within the store. Correct?
A Yes, sir.
Q One was in a hidden compartment, am I right?
A Yes, sir.
Q And the other was in a safe?
A Yes, sir.
Q Okay. Did you find any evidence that Mr. Qadus knew of the hidden compartments?
A Of the hidden compartments, no, sir.
Q Did you find any evidence that he knew or had access to the safe?
A No, sir.
Q I want to talk to you about the Attorney General's investigation into the case. Have you reviewed the pleadings in that civil case that was filed in the State District Court?
A I barely scanned it, but --
Q Okay. So you're aware of generally what it's about. Correct? Is that a fair statement?

A Yes, sir.
Q You know from being the case agent here that on March 18 sheriff's deputies made an undercover purchase at Moon Mart. Correct?
A I'm not sure about the date, but, yes, sir.
Q Okay. And you would agree with me that the purchase was for what would call user amounts of synthetic cannabinoids. Correct?
A Yes, sir.
Q Maybe a packet or two. Correct?
A Two packages.
Q Okay. And usually that would not mean more than 20 grams. Correct?
A Yes, sir.
Q There's no indication that, first of all, that Mr. Qadus was present at the time of that transaction. Correct?
A I didn't read the report, I'm sorry.
Q Well, they -- okay. I'm going to represent to you, based on the pleadings that were available to me, which included both the Sheriff's Department report of March 18, 2016 and the subsequent buy on May 5, 2016. The purchases were made from an employee and he was not present there.
MR. CUNNINGHAM: And I'll tender that to the Court by way of a proffer.
BY MR. CUNNINGHAM:

Q Did you -- and I think you testified that the Attorney General's office has filed a motion to hold him in contempt for violating the temporary restraining order that was agreed to as a result of the police action. Correct?

A Yes, sir.

Q Did you know that the punishment that he faces for violation of the TRO is a whooping 10 to 30 days in jail?

A I didn't know what the penalty ratio was.

MR. CUNNINGHAM: And I'll make a proffer to the Court on that in a second.

THE COURT: I'll just accept your representation --

MR. CUNNINGHAM: Okay.

THE COURT: -- about that.

MR. CUNNINGHAM: And I've got the pleading, Judge.

THE COURT: Beverly, we have to have air conditioning.

THE CLERK: They turn the air off at 7:00, Judge.

THE COURT: Oh, gosh. All right.

BY MR. CUNNINGHAM:

Q In the days leading up to the execution of the arrest warrants, did you have any information that Mr. Qadus was trying to flee the country or about to flee the country?

A No, sir.

Q Do you have any information that -- well, when he was arrested did you have any indication that he was anything but

fully cooperative with law enforcement?
A No, sir.
Q Do you have any indication that he gave a post-arrest statement?
A I'm not aware of a post-arrest statement.
Q Okay. Do you have any indication that he would not appear before this Court on these charges?
A I have no information about it, no, sir.
Q Okay.

MR. CUNNINGHAM: That's all I have, Your Honor.

MR. JOCHER: No redirect questions.

THE COURT: Do you have any --

MR. CUNNINGHAM: I have --

THE COURT: -- proffers or witnesses?

MR. CUNNINGHAM: I do want to proffer the pleadings and the TRO which would show --

THE COURT: I think I have that right here.

MR. CUNNINGHAM: Well, now there -- you have the --

THE COURT: Agreed Partial Temporary Injunction.

MR. CUNNINGHAM: Right. But then there's -- then the AG's office filed a motion to hold him in contempt, and attached to that as exhibits are the offense reports from the two undercover buys that happened on March 18, 2016 and May 5, 2016. Both of them show he wasn't present and someone else made the sale to them.

THE COURT: Do you objection?

MR. JOCHER: No, I don't object to --

THE COURT: I'll be happy to --

MR. JOCHER: -- that.

THE COURT: -- introduce those for purpose of this hearing.

MR. CUNNINGHAM: Okay. Then, Judge, with respect to witnesses on this issue of detention, I have two -- I hope I still have two witnesses here -- I've got one. Let me -- earlier in the day, Judge, I had a young man here by the name of Achmed Iqab, I-Q-A-B, who is a natural born US citizen, 22 years old, born and raised in the Clear Lake area, still living in the Clear Lake area, who graduated from Clear Lake High School, is attending U of H, but also works as the assistant manager at a place called Texans Auto, which is a repair shop, he's a mechanic.

He would -- if he was here, he would have testified to the Court that he has known the defendant for about 18 months at what began as a business relationship has grown into a friendship over the 18 months and during that 18 months he has gotten to know the defendant. He believes he has a good reputation, has good character and would have testified that he is not a danger to the community, nor a flight risk.

Present in the court today is his ex-wife. His ex-wife is a woman by the name of Amy Alejandro. She too is a natural born US citizen, born in the Valley, educated at Texas A&M graduating in 1996 with a degree in agricultural science. She has known the defendant since 2007, they were married and subsequently divorced. And even though she is his ex-wife, she has remained in close contact with him over the years.

Although she is now working now, she just spent 10 years working at MD Anderson where she was a trainer. She knows obviously about his immigration status, that's reflected in the Pretrial Services report. She knows that he intends to become a citizen. She stays in very, very close contact with him and has stayed in close contact with him ever since the day they were divorced.

She would testify to the Court he's not a danger to the community, he's not a flight risk. That I've discussed with her the prospect of being a third-party custodian, the Pretrial Services report reflects that he lives alone. She says even though she has remarried, she would open up her second bedroom in her house with her husband's permission to allow them -- him to live with her, for him to serve as -- for her to serve as the third-party custodian. That would be my proffer with respect --

THE COURT: Thank you.

MR. CUNNINGHAM: -- to the witnesses, Your Honor.

THE COURT: All right. Do you need to make an argument?

MR. JOCHER: Judge, they're getting briefer and briefer.

THE COURT: Okay. Make it very brief, please.

MR. JOCHER: Yeah, Mr. Qadus's comments and laughter about the strength of his narcotics that he's selling to his customers, and their unfortunate reactions demonstrate a certain danger that is inherent in him. He uses synthetic narcotics on a daily basis, which also makes him a danger.

I've been accused of trying to litigate facts here, but, you know, the facts are the facts. What are we have are a series of multiple recorded conversations between Alsalomeh and Qadus where they're talking about large purchases of synthetic cannabinoids product. And we've seen Mr. Qadus at Azel -- the Azel Cell Phone store where all this synthetic is found on a regular basis. He comes in on the day of the search warrant, at the store the day when they execute the search warrant. There's synthetic product in his car, there are conversations on his phone about synthetic product. There's mail delivered to him on that day, and then there's nine and a half kilograms of synthetic cannabinoid that's Schedule 1 located inside that very store.

There's also another store where he's the registered agent, president and secretary, called Moon Mart where they're selling more of the same thing that was found in Azel. The Government brought that forward because it's an illustration of he was told last month, The Court orders you, Don't do this. Less than three weeks later there's evidence that Mr. Qadus is not following Court instructions.

Mr. Qadus is not a United States citizen, and has no financial or family ties that are significant to this community, so the Government would respectfully argue that the presumption has not, in fact, been rebutted and that there is no condition or combination of conditions that can secure his appearance in court. Thank you.

THE COURT: Is there a response?

MR. CUNNINGHAM: Yes, Your Honor. And I respectfully disagree with that. I think that we have rebutted the presumption in this case. The Court can consider the circumstances of the offense. What you have at best is him being merely present at a location on the date of his arrest that had 9.5 kilograms of stuff secreted. There's no indication from this officer that he had control or access to those locations. That's a fact that he run the cannabinoids that he had in the car, two packets, consistent with personal use, which I believe that he admitted to the officer.

The Court can also consider the evidence with respect to Moon Mart, that that's the State Court TRO. The evidence in the -- that I made by way of proffer shows that he wasn't present during those transactions, and that is something for the Court to consider.

Through his ex-wife we've presented evidence that gives the Court the opportunity to structure bond conditions that could adequately protect the community, address all the provisions of 3142. We ask the Court to set conditions upon him because we've rebutted the presumption.

THE COURT: Thank you.

MR. JOCHER: We would like to proffer one other fact relevant to the report that Mr. Cunningham referenced, and that reporter indicates that law enforcement took over 4,000 -- a little over $4,002 worth of currency out of Moon Mart that day. And 1,699 grams of synthetic cannabinoids from that store, not just the two packets that were sold to the undercover officer.

THE COURT: Okay. Who else wants to cross-examine this witness?

MR. CUNNINGHAM: Judge, can I make a quick --

THE COURT: Yes?

MR. CUNNINGHAM: I need to go to the bathroom really bad.

THE COURT: Go ahead.

MR. CUNNINGHAM: Thank you.

THE COURT: Go ahead. Who wants to cross-examine --

MR. GRAHAM: Can I --

THE COURT: Yes.

MR. GRAHAM: -- Judge?

THE COURT: Yes.

MR. GRAHAM: Spence Graham --

UNIDENTIFIED SPEAKER: Could the rest of us go to the bathroom?

THE COURT: Anyone who wants to go to the bathroom can go. And come right back.

UNIDENTIFIED SPEAKER: Is there one in there?

THE COURT: There is. You can use that one.

UNIDENTIFIED SPEAKER: You want to go?

THE COURT: Go ahead. Anybody who wants to go to the bathroom can go to the bathroom, but we're going to keep working. Go ahead.

MR. GRAHAM: Okay. Thank you, Judge. Spence Graham here for Nagy Ali.

CROSS-EXAMINATION OF JAMES SEMRICK

BY MR. GRAHAM:

Q Hello, Mr. Semrick, how are you?

A Yes, sir. How are you?

Q Good to see you again. So I want to talk a little bit about what the other lawyers have gone into with the bust in 2013, 2014, even in 2015. Was there ever a bust of Smoke Zone where you said that my client, Mr. Ali, was a registered owner in 2014, 2013?

A No, sir, just in 2015.

Q Okay. When in 2015 was the bust?

A I believe it was August of 2015.

Q Okay. And do you know if Mr. Ali was there when the bust occurred?

A At that time, no, sir, he was not.

Q Okay. And did you know that, in fact, during that time he was out of the country in Egypt?

A I did not know that.

Q Did you know that he was there for a month and 20 days during that time?

A That sounds about right, yes, sir.

Q Okay. But he came back. Right? After --

A Yes, sir.

Q -- you know, a month and 20 days in Egypt.

A Yes, sir.

Q And his wife is an Egyptian citizen, she lives there in Egypt with their kids?

A Yes, sir.

Q But he is a US citizen.

A Yes, sir, I believe he's a naturalized citizen.

Q Even though he was born in Egypt, he is now a naturalized US citizen.

A Yes, sir.

Q And, in fact, he does have dual citizenship. Correct?

A I don't know how that works, I'm sorry.

Q Okay. We -- in your research of Mr. Ali you didn't see

that he has citizenship in Egypt still in addition to the United States. Correct?
A I'm sorry, I don't know how that works. A lot of these guys we see have US passports and, you know, the country of origin passport, so I don't know if that constitutes --
Q Well, would you agree with me that there are people that are dual citizens and you can potentially be a dual citizen of Egypt and the United States?
A Yes, sir.
Q But you wouldn't argue with me if I told you that Mr. Ali has abandoned his Egyptian citizenship for United States citizenship?
A I couldn't argue because I don't know.
Q Okay. Now so were you at any point having conversations with Mr. Ali after the bust in August of 2015 at Smoke Zone?
A No, sir.
Q Okay. Do you know if he was aware of the bust that occurred in August of 2015 at the place that he's the registered owner?
A Yes, sir, I believe so.
Q Okay. And why do you say you believe he was aware?
A I asked Mohammed Taha to make a recorded phone call to tell him that the business was being -- or that there was a search warrant being executed at the location.
Q And when Mr. Taha placed that phone call, was he calling

Mr. Ali in Egypt?
A That's what he told me that he was doing. I'm not sure if he was in Egypt, but he said he was calling his cell phone.
Q Okay.
A He didn't say he was in Egypt.
Q But you hadn't seen Mr. Ali around the store anywhere near that time, had you?
A No, sir.
Q Okay. So once Mr. Ali has this information from Mr. Taha, again, he's out of the country, but yet facing he doesn't know what, he still makes the decision to come back into the United States.
A Yes, sir.
Q Okay. Now do you know very much about Mr. Ali's background, did you do any research into what his background was?
A No, sir.
Q You know that he's never been charged with any kind of crime, misdemeanor, felony, anything?
A I don't believe he had a criminal record where I went.
Q Okay. And he's 60 years old.
A Okay. Yes, sir.
Q Isn't that correct? Okay. So and he's, you know, he's been in this country since 1991?
A I was unaware of the date when he came here.

Q Okay. And did you know that he was actually married to a US citizen back in 1993?
A No, sir.
Q A lady by the name of Lavonne Henry (phonetic), you didn't --
A No, sir.
Q -- see that? Okay. And you know that one of his -- did you know that his 16 year old daughter is actually a US citizen, she was born in the United States?
A I did not know -- I know nothing about his family.
Q Okay. Now there was some talk with the other attorneys about some dealings trying to get a passport, connections possibly with people in foreign countries to get passports. You haven't gotten any kind of evidence or information that Mr. Ali would have a contact outside of this country to be able to get a hold of a passport. Correct?
A I'm now aware of one, no, sir.
Q So if he were to turn in his passport, you don't have any evidence of any kind of propensity on his part, let alone any kind of contacts he would have to go get a new passport.
A Except looking at 10 years in prison. He may --
Q Well, I understand, you know --
A Right.
Q -- but then again, he did understand that there was a very serious bust that occurred in August 2015, but still came

back to this country.
A Yes, sir.
Q Okay. Now when you went to the Smoke Zone, only Mohammed Taha was present. Correct?
A Yes, sir.
Q And a lot of the information that you got for your investigation on my client is based on what Mr. Taha was telling you. Correct?
A There was information related to that, yes, sir.
Q And would it be fair to say that that was a pretty scary or tense situation for Mr. Taha when you and the other officers are kicking the door in and raiding the Smoke Zone.
A It could be tense, yes, sir.
Q Okay. And he was looking at a lot of criminal liability himself, would that be fair to say?
A Yes, sir.
Q Okay. So and you can't know how much of what Taha was saying was accurate or truthful at that point.
A Well, actually I thought he was very truthful because he admitted to being present at the location in Tomball where we seized about 2500 pounds of synthetic cannabinoids.
Q Okay.
A And he placed himself there along with other individuals. He didn't have to do that, so.
Q But he also minimized his role saying that my client and

Mr. Khalil were really the owners and responsible for these amounts of drugs.
A Actually, I think he accurately depicted his role, along with the roles of Khalil Khalil and Nagy Ali.
Q Okay. But what I'm saying is that he is saying that he's not the owner, that these are not really his drugs, he just works there at the shop.
A And he admitting to selling drugs, yes, sir.
Q Okay. But it would be fair to say that a lot of the information you have that kicks my client under the bus so to speak is from Mr. Taha.
A Yes, sir, that and the 2500 pounds from the storage unit in Tomball.
Q And was my client present when those items were seized from the storage facility?
A He wasn't present at the time, but he was observed at the location.
Q Okay. And you said at the location there were two vehicles. Correct?
A Yes, sir.
Q One was Mr. Taha's.
A Yes, sir.
Q And the other one was Mr. Khalil's.
A Yes, sir.
Q Not my client, Mr. Ali's.

A Not his vehicle, no, sir.
Q Okay. So he was brought there in either Mr. Taha or Mr. Khalil's vehicles?
A Yes, sir.
Q Okay. Did you know what his work history was prior to being the registered owner at Smoke Zone?
A No, sir.
Q Did you know that he worked as a cashier at a Texaco?
A He told me that, yes, sir.
Q Okay. And that after he worked as a cashier at a Texaco, he worked at another gas station near where the Smoke Zone was as a cashier?
A Yes, sir.
Q Do you know how a cashier at a Texaco would then have the funds to be able to buy a smoke shop?
A No, sir.
Q Okay. So and you understand the charges that all of these defendants are facing largely is conspiracy is where we start with. Correct?
A Yes, sir.
Q And a conspiracy, for lack of a better term, is like a team agreeing to engage in a criminal enterprise. Correct?
A Yes, sir.
Q And there's heads of the team and then there's low level janitor type people on the team. Correct?

A Yes, sir.
Q All right. And so you don't have any information about large amounts of cash that my client ever had. Correct?
A We didn't seize any -- or that much money from the Smoke Zone.
Q Okay. And you actually -- you seized -- you got a search warrant for his apartment. Correct?
A For the business which had an attached apartment, yes, sir.
Q Okay. Did you go to his actual apartment as well?
A Oh, when he was arrested? That was another agent that led that arrest.
Q Okay. But you know a search was done of the apartment as well, of his apartment?
A I believe portions of the apartment, yes, sir.
Q Okay. Were there any large amounts of cash seized from his apartment?
A No, sir. -
Q Okay. And you know from doing all these different busts that all these other co-defendants -- or co-defendants, excuse me, that there were large amounts of cash seized from a lot of these defendants' homes and businesses. Right?
A Yes, sir.
Q But not Mr. Ali.
A No, sir.

Q But yet he's listed as the registered owner of Smoke Zone.
A Yes, sir, he is.
Q Okay. Did you get information in your investigation that there were individuals coming to Smoke Zone on a regular basis to pick up money?
A Yes, sir.
Q Okay. Does that sound like something that an owner of a business would be giving away their profits to someone else?
MR. JOCHER: Calls for speculation, Judge.
THE COURT: It's all right. Answer the question.
BY MR. GRAHAM:
Q Does it sound like something that an owner of a business, that that would be a good business move, to be regularly giving away the profits of that business?
A I wouldn't say giving away the profits, but the money owed for the drugs being sold out of the business.
Q Okay. But --
A And he was --
Q -- your investigation turned up that there were large amounts of cash on a regular basis being picked up from Smoke Zone.
A I would imagine so, yes, sir.
Q Okay. Well, but I'm not asking what you imagine. What you learned in your investigation. Is that correct?

A Just what we heard from Mr. Ali's post-arrest statements.

Q Okay. Now you said that there was a living area in the back portion of Smoke Zone?

A Yes, sir.

Q Did you find any personal items of Mr. Ali in that living area?

A Yes, sir, we did.

Q What did you find?

A His naturalization certificate and other documents.

Q Okay. Did you find -- I mean is there a sleeping area?

A Yes, sir.

Q Okay. Did you find anything that made it look like he was actually living there, or that he just had a few items laying around there?

A There were a few items in there, along with the synthetic cannabinoids that we seized.

Q Like what in particular?

A And a money counter. I mean I can't recall the clothing, you know, what was all there. I'd have to review the photographs.

Q Okay. But there were also two other people working in this business, Mr. Khalil and Mr. Taha. Correct?

A Yes, sir.

Q So you have no idea whether or not the three of them took shifts and worked late nights and maybe shared that living

space?
A They may have.
Q Okay. And, in fact, my client, you know, because of where he was arrested, did have a legitimate apartment that he lived in. Correct?
A Yes, sir.
Q And do you know when he was arrested if the officer checked to see if he's on the lease or if he's receiving mail there?
A I believe he was on the lease and they didn't check on receiving mail, but I imagine he was.
Q Okay. And did you know that he was also working at a restaurant called Skyline off of Jones and 1960?
A I heard he was associated with it. I wasn't sure if he was working there or owned it.
Q Okay. Do you know anything about that restaurant?
A Just, you know, information we've heard that it may be owned by Khalil Khalil's family.
Q Okay. And you know that my client has worked for several years for Khalil Khalil's family here in Houston.
A Yes, sir.
Q Okay. Now let's talk a little bit about Ziad Alsalomeh. He -- does he have family here in the US?
A On and off, yes, sir.
Q On and off. But he has family regularly here in the US?

A Yes, sir, he has a son and I believe two daughters.
Q And he owned property here in the United States?
A You're talking about Ziad --
Q Yes.
A Yes, sir.
Q He did?
A Yes, sir.
Q How much did he own in property?
A What we knew, he owned his home in Pearland.
Q Okay. How much was that worth?
A I believe it was listed for $294,000.
Q Okay. Were you able to research whether or not my client owns any property --
A No, sir.
Q -- here in the United States?
A I don't recall any property.
Q Okay. He lives in an apartment that he rents.
A Yes, sir.
Q Right? You get any information about any expensive cars that he owns?
A He has a pickup truck that has a lien on it.
Q Okay. He has --
A A high lien on it, he's upside down on it.
Q -- one pickup truck.
A Yes, sir.

Q That he's about to lose.
A Yes, sir.
Q Okay. You haven't -- and when you tried to arrest Mr. Ali, or when you did arrest Mr. Ali at his apartment, did he run from the police at all?
A No, sir.
Q Okay. Was he cooperative?
A Yes, sir.
Q Okay. And he's been cooperative with you in this investigation?
A So far, yes, sir.
Q Okay. And you haven't gotten any kind of information or evidence that would give you any reason to think he would flee?
A Except looking at a 10-year prison sentence --
Q Right. But I'm talking --
A -- and ties to Egypt.
Q -- about him individually. I understand anyone charged with this crime could be a flight risk. Right? But with him individually, have you gotten any kind of information, or indication that would give you reason to think he would flee?
A I just spoke to him for 30 minutes, I have no other information.
Q Okay. Did you know that in the last 10 years, including the trip in August of 2015, that he has only gone back to

Egypt three times?
A I wasn't aware of his total travel.
Q Okay.
MR. GRAHAM: I'll pass the witness, Judge.
MR. JOCHER: No questions, Your Honor.
THE COURT: Okay. Do you have any proffer or evidence to present?
MR. GRAHAM: Judge, as I had indicated previously, there is a witness, Almeen Makmood (phonetic) that I was able to speak to earlier today. I was supposed to follow up with him this evening. He's a very good friend of my client.
THE COURT: Did you ever talk to him?
MR. GRAHAM: I did talk to him briefly. He had a work schedule issue, he wasn't able to get down here. I would like to have an opportunity to speak with him further about -- you know, I know there is concern with Pretrial Services about the fact that my client lives alone --
THE COURT: Can you proffer --
MR. GRAHAM: -- in the apartment.
THE COURT: -- his testimony? Do you know what he would testify if you called him?
MR. GRAHAM: I would -- I'd like to -- I didn't have much time to talk to him. He had to go very quickly because he was at work. I've been trying to track him down for the last 24 hours. So I don't have enough information to make

that proffer at this point. I can proffer based on what my client has told me, but if given -- I could if this were to be recessed possibly till tomorrow. I can certainly talk to him this evening --

THE COURT: No.

MR. GRAHAM: -- and address --

THE COURT: It won't be recessed, but if you have evidence that you want to present at a later time --

MR. GRAHAM: Okay.

THE COURT: -- that would --

MR. GRAHAM: But if --

THE COURT: -- justify reopening this hearing, then I would let you proffer it. I will let you proffer it.

MR. GRAHAM: But at this -- but aside from that, what I would say is, you know, this man is a US citizen, he, you know, he's got one child that was born here in Houston, the 16 year old. She is currently with her mother in Egypt, along with his two other younger children. He has adult children as well that are in Egypt. He has siblings that are in Egypt, but aside from the fact that his family is out of the country, he has been here in the United States since 1991. He has gone to see them, but only three times in the last 10 years. They regularly come here. His wife has a visa, the two children, younger children that are Egyptian citizens have visas and they regularly come to see him here.

There -- at 60 years old with no criminal history he has given no indication that he's any kind of flight risk. The fact that he got the call from a co-defendant, Taha, while he was in Egypt in August of 2015 and still came back I think is a good indication, just as much as, you know, the arguments that have been made about Mr. Siddiqi and he came back from Pakistan. I would echo the same thing, that if he knows that there's this big bust that happened, he can put two and two together and I think that addresses the concern that Agent Semrick would have about, you know, facing 10 years. He's already --

THE COURT: Okay.

MR. GRAHAM: -- been at that point and came back.

THE COURT: Who else wants to cross-examine this witness?

UNIDENTIFIED SPEAKER: I do.

THE COURT: You may proceed.

MR. JOCHER: Judge, can I be heard?

THE COURT: Sure.

MR. JOCHER: Just that Mr. Ali -- a moment before we go off, Mr. Ali's the distributor -- owner of a large distribution site for synthetic cannabinoids. There are two things to consider, is he a danger and is he a flight risk? Well, large amounts of synthetic at Smoke Zone where he's the owner, a weapon in the store, 2500 pounds of synthetic cannabinoids at his storage locker where his own employee identifies him as the owner. He shows up at the locker, as reported by the owner of the storage unit facility when there was a disturbance made.

The search warrant -- the arrest warrant is executed at his house, and if the Court will recall, we showed you five other boxes that were removed from his apartment at the time he was arrested. Those are the slides that you saw at the end where there were boxes full of synthetic cannabinoids that were located at his apartment, including one that was called Scooby Snacks, with a picture of Scooby-Doo on them. We're talking about danger. This man's marketing this kind of drugs to the children in our community. So he is a danger.

His wife doesn't live here, his children don't live her, he lacks financial ties and family ties in the Southern District of Texas, so we agree with Pretrial that there is no condition or combination of conditions that would allow him to be given a bond. Thank you.

THE COURT: Okay. Thank you.

MR. GRAHAM: And, Judge, can I just briefly address argument? So I think the reason that there are conditions like house arrest and ankle monitors and they can come up here every day. You know, those are conditions that the Court can impose on somebody like this. If you do have some kind of fear, I mean some kind of fear that they have about him showing up to court, can certainly be addressed with judicial conditions.

That, as Mr. Schaffer rightly pointed out, this is a case that is going to be very lengthy. This is a person that -- you know, he's technically the registered owner of this business, but I think, you know, we've established that financially that's suspicious that he is listed as the registered owner. And to that point Mr. Taha calling him the boss I think is laughable because Mr. Taha gets busted inside the store with the gun and all the drugs and of course he turns around and says, No, the guy in Egypt, that's the owner, that's the guy that has control over all this, not me. I'm just the little bee worker.

And so that then makes the Government turn around and call my guy the danger and the guy that's marketing products to kids. He's a guy that's worked as a cashier at a gas station for several years. He works as a cook at a restaurant for Khalil Munier's family. He is not a guy that is a marketer of synthetic cannabinoids to kids. He is a worker bee in this organization.

And yet, you know, he's going to be detained because, if you follow the Government's argument, because he wasn't smart enough to realize he was being set up, that he was being asked to be a registered owner of a business that is doing all this illegal activity. I mean he's got a high school education from Egypt, he's a 60 year old man that's done hard labor kind of jobs his whole life. This is not some sort of mastermind in this whole thing.

And, you know, the fact that he is a US citizen I think should carry a lot of weight. There's no indication as to this man fleeing or not showing up to court, and not giving him that opportunity with whatever conditions the Court would want to set, I think is a miscarriage of justice. And we would just like the opportunity to prove to this Court what he has proven for 60 years, is that he will show up, he will face the responsibilities that he has. Thank you.

THE COURT: Thank you.

Are you the last one, Mr. -- are you guys representing the same person?

MR. TABAKMAN: We are, Your Honor.

MR. KENNEDY: We both represent Ms. Khurram.

THE COURT: And that's the last person to cross-examine this witness?

MR. KENNEDY: Yes, ma'am.

THE COURT: Okay. Go ahead.

MR. KENNEDY: As far as I know.

MR. JOCHER: Is there going to be one person that's going to cross?

MR. KENNEDY: Just me.

THE COURT: I think so. It's Mr. Kennedy. Right?

MR. KENNEDY: Yes, ma'am.

THE COURT: Go ahead.

MR. JOCHER: Ms. Herrera is going to take over for a moment while I step out.

THE COURT: Hurry back.

MR. JOCHER: I will, Judge.

THE COURT: Go ahead.

MR. KENNEDY: May I proceed?

CROSS-EXAMINATION OF JAMES SEMRICK

BY MR. KENNEDY:

Q Agent, I'm not going to belabor what happened at the airport, but you were present?

A I was outside the airport, yes, sir.

Q Okay. How many agents were there?

A Probably four or five.

Q Okay. And when did you all get -- when did you learn that they were on their way to the airport?

A They were conducting surveillance at the two residences of Mohammad Siddiqi and Ayisha Khurram.

Q Okay. How long had you been conducting surveillance at her residence?

A Probably about an hour -- or for that departure time? Yes, sir, about an hour.

Q Is that the first day you had done surveillance there or had you been surveilling her for a while?

A In the past part of the investigation agents surveilled her house, yes.
Q Okay. So you're familiar with what they surveilled, the weeks and months leading up to this last trip. Is that correct?
A No, sir.
Q Okay. Were agents -- did agents make contact with somebody at the sales counter, the ticket counter before they arrived there, or is it afterwards?
A Afterwards.
Q So it was just by happenstance that a travel agent or a lady at the ticket counter asked them if they were husband and wife. Just lucky?
A I'm not sure how it was represented. I wasn't there, I'm sorry.
Q Okay. Did you ask anybody to search their bags as they were being boarded onto the plane to see if they contained anything?
A No, sir, not them specifically. They -- we advised CBP of their outbound departure, so they conducted an outbound currency check.
Q Okay. So did CBP -- you are not aware if they searched the luggage that they checked onto that plane?
A Yes, sir, they did.
Q Okay. And did they find anything in Ms. Khurram's bags

that drew concern to you?
A No, sir.
Q No. And when they came back into the country, her bags were searched again, weren't they?
A Not at our direction, it was just the standard inspection.
Q The bags were opened, they were searched and when they were zipped up, they place a little tag on there saying, We've searched your bags. Correct?
A I believe so, yes, sir.
Q Okay. And there was nothing in her bag that drew concern to you, or we would hear about it.
A Yes, sir.
Q All right. I want to talk about Onalaska for a few minutes. How long was -- when was that pole camera set up?
A I didn't ask for the installation, but I believe it was probably two to three weeks prior to the search warrant.
Q Okay. Because this was a joint investigation, was it not, with officers, law enforcement officers from Polk County?
A Yes, sir.
Q And were you working with them directly?
A I was not at the time, no, sir.
Q Do you know an Officer Anthony Lowery (phonetic)?
A I've met him one time and spoken to him on the phone.
Q Okay. And you know that he was present and, in fact, as

filed forfeiture papers in that case having to do with that property. Is that correct?
A Yes, sir.
Q Okay. And he documented surveillance that was there. Correct?
A Yes, sir.
Q And in none of those documents does he ever state that Ms. Khurram was ever present at that location, did he?
A I didn't review them, but I don't believe he did -- he noticed her there.
Q Okay. And, in fact, what he talked about was that two gentlemen would show up, or actually a man and a woman, Mr. and Mrs. Ulloa would show up and another car, and another white van would show up. That was it. Correct?
A I haven't reviewed his notes.
Q Okay. You did not review the sworn affidavit for forfeiture that was filed by him where he states that?
A No, sir, I did not.
Q Were you intercepting any of Ms. Khurram's telephones --
A No, sir.
Q -- at any time? That's no.
A No, sir.
Q I mean you -- the Government has presented multiple text messages and captured phone calls today, but none of those are from Ms. Khurram.

A No, sir.
Q Okay. Do you have any sort of electronic communications that would indicate that Ms. Khurram was at the location in Onalaska?
A No, sir, not that I'm aware of.
Q Okay. So the only thing you have is Mr. Ulloa stating that she had been there, that's all.
A Physically at the location, yes, sir.
Q Right. Were you involved in her arrest when she was arrested a few days ago?
A No, sir, I was at another location.
Q Okay. And, you know, again, I know some of this is repetitious but just to kind of hammer the point home, she was cooperative with agents. Correct?
A Yes, sir.
Q There was no indication I mean that she had any sort of fake ID or anything to disguise her identity to law enforcement. Correct?
A Just the -- I'm not sure if it's a maiden name or what, but with the Ayisha Chaudhary, I'm not sure how to pronounce the last name.
Q Right.
A I'm not sure if there's other documents in those names.
Q Did you research that at all?
A No, sir.

Q Okay. Did you ask her about it?
A No, sir, I did not.
Q Okay. Did you learn that that's actually her daughter's name, it's a family name?
A No, sir, I didn't know that.
Q Okay. Do you have any consensual recordings with Ms. Khurram?
A No, sir.
Q Any sort of video surveillance with her?
A No, sir.
Q Any sort of photo surveillance?
A There may be photos at the I believe it's Clarewood location where the Smart Car business was.
Q Okay. All right. And let's talk about that. When was that, sir?
A It was during the late June to late July or early August time when we had the recorded conversations, that we were conducting surveillance in support of that.
Q In 2014.
A Yes, sir.
Q Okay. Any undercover officers or any other cooperating defendants make contact with Ms. Khurram during this case?
A No, sir.
Q Now Pretrial Services -- did you review the Pretrial Services report today?

A No, sir.
Q Okay. You're familiar with the fact that she runs and works at a gas station. Correct? On Beechnut?
A That's what she claims, yes, sir.
Q Okay. You didn't verify that?
A No, sir.
Q Okay. Did you do any sort of records search to see what property was in her name?
A We have financial investigators that research that.
Q Okay. And did they tell you before today's hearing preparing for this that she only had one property that was in her name and that was her home?
A No, sir, they didn't tell me that.
Q Did you ask them?
A No, sir. Actually they told me that Mr. Siddiqi and Ms. Khurram have multiple properties and share names on corporations.
Q Okay. Would it surprise you that when Pretrial Services ran a property search, they only found that there one property in her name?
A Specifically in her name, I'd agree with that.
Q Okay. And did you -- or the Government made an issue out of the cars that are in her name. Did you do some checking to find out the status of those cars, how they were purchased, if they're leases or --

A No, sir, I did not.
Q So you're not representing to the Court that those were paid in cash, all these cars are paid in full or anything like that, are you today, sir?
A No, we don't have the purchase agreements on those.
Q Were you involved in the search of her home back in September 2014 when the search warrants were executed?
A I was not there, no, sir. I was at Mr. Siddiqi's house.
Q But of course you're familiar with the fact that her husband was injured in that search.
A Yes, sir.
Q And the fact that he still struggles with some of those medical issues today?
A Yes, sir.
Q Okay. Many of your surveillance leading up to her arrest, did your officers surveille her going back and forth to the doctor's office, things like that?
A No, sir, we did not.
Q Did you ask them if they surveilled -- what they surveilled leading up to her arrest?
A No, sir.
Q So in listening to your testimony earlier, I mean is it safe to say that there's no links to a Matt Russell?
A No, sir.
Q CS 1, 2 or 3?

A Not that I'm aware of.
Q Okay. Dr. Al Nasser?
A I do recall seeing a $38,000 check sent by Al Nasser to Texas Aim Construction, which is a construction company associated with Mr. Siddiqi and Ms. Khurram --
Q Okay.
A -- for the renovation of gas stations.
Q No sort of a connection or link to Mr. Tannous or Mr. Qadus?
A Not that I'm aware of.
Q Okay. But you're familiar with the fact that Ms. Khurram is married, was at home with her son and her daughter.
A Yes, sir.
Q Is that correct? That her son is a U of H student?
A Yes, sir.
Q And that her daughter's in high school planning to graduate next week. You're familiar with all that?
A No, sir.
Q Okay. Did any of your surveillance officers, leading up to this arrest, surveille any of that for you so that they could come in and tell -- you could come in and tell the Court what her specific activities were in the last four to six to eight weeks prior to this hearing?
A No, sir.
MR. KENNEDY: Just one second, Your Honor.

(Pause in proceedings.)

BY MR. KENNEDY:

Q One last thing, sir. In the searches of her home there was never any weapon or any sort of dangerous device or anything ever recovered, was there?

A No, sir.

MR. KENNEDY: Your Honor, I've got nothing further.

THE COURT: Okay. Do you have any proffer or witnesses to call?

MR. KENNEDY: We do.

MR. TABAKMAN: We do, Your Honor.

THE COURT: Who --

MR. KENNEDY: Unless the Government has --

MR. JOCHER: Can I briefly redirect?

THE COURT: Why?

MR. JOCHER: One subject, Judge, and that's --

THE COURT: Why?

REDIRECT EXAMINATION OF JAMES SEMRICK

BY MR. JOCHER:

Q -- did you present Mr. Ulloa a series of photographs when you spoke to him of females?

A Yes, sir.

Q And from those series of photographs was he able to identify any particular female involved in this investigation?

A Yes, sir, he identified Ayisha Khurram.

Q And is that the person he identified who would pay his wages and who supervised him at that location?
A Yes, sir.
MR. JOCHER: No further questions, Judge.
THE COURT: Okay. Who's your witness?
MR. TABAKMAN: We're done with the -- with this --
THE COURT: Who is your witness?
MR. TABAKMAN: The witness is Bobby Malik.
THE COURT: Are they going to testify or are you going to proffer.
MR. TABAKMAN: They are going to testify -- we'll proffer a few and we have two that will testify, Your Honor.
THE COURT: All right. Go ahead.
MR. TABAKMAN: May I call him up?
THE COURT: Yes.
MR. TABAKMAN: Thank you.
(Witness is sworn.)
THE CLERK: Take your seat in the witness stand.
MR. TABAKMAN: May I proceed, Your Honor?
THE COURT: Yes. State your name first.
MR. TABAKMAN: Yes, Your Honor. I'm Gary Tabakman representing Ms. Khurram.

DIRECT EXAMINATION OF KHAKAN MALIK

BY MR. TABAKMAN:
Q And good evening, Mr. Malik. I know it's been a long

day. Can you please spell your name for the Court. I know you go by Bobby, but your first name and last name, please?
A Yeah, the first name is Khakan, K-H-A-K-A-N, last name Malik, M-A-L-I-K.
Q Okay. And, sir, what is your date of birth?
A August 23 '73.
Q Okay. You're 42?
A Yes.
Q Okay. And please let the Court know how you know the -- how you know Ms. Khurram.
A She used to work at a travel agency back in 2004. I had to purchase some tickets, so since then we've been kind of starting getting to know her in 2004.
Q Okay. So you've known her since 2004 as a friend?
A Yes.
Q And would it be fair to say that you've had frequent contact with her?
A Yes.
Q About several times a week?
A Yeah, once or twice.
Q And tell me a little bit about yourself. Are you married?
A Yes.
Q Okay. And do you have any children?
A Yes, two boys.

Q Okay. How old are they?
A Nineteen and seventeen.
Q Okay. And when did you come to the United States?
A In '81.
Q Okay. And how are you -- I know that you were recently laid off, but what is your professional background and where were you working before you were laid off?
A I worked for a company called Cardinal, Inc. for 15 years and got laid off last November, and my profession is in the IT field.
Q Okay. And I know you're currently still seeking for work?
A Yes.
Q Right. Let me ask you this, can you please describe to the Court the relationship that Ms. Khurram has with her friends and the people that you know as mutual friends?
A As mutual friends, I mean it was just like any friends who just kind of like get together on occasion just to, you know, discuss their particular day-to-day stuff that they've been involved in and just to kind of like hang out and talk about activities and -- this is like in the initial stages of getting to know each other, but once we were aware of that, pretty much discussed my initiatives as far as what all I had plans for and -- for myself, and then kind of like share some of her ideas as far as what her concepts were about my ideas

pretty much.
Q Okay. So I mean pretty much you would get together once in while, talk about friends, family stuff.
A Right.
Q Would you consider her to have close ties in the community with other friends and family members?
A Yes, according to the conversation I had, which led me to believe that she's very close with her family and friends.
Q Okay. And based on that do you believe that she would ever go back to Pakistan, or anywhere else for that matter of fact, or would she stay here if this Court released her on a bond?
A I -- she would never go back to any other country, much less Pakistan. She would always be here because of her family and businesses or whatever she has here. She has all that here, so -- which leads me to believe she would never actually go to Pakistan.
Q Okay. Thank you for that. And since you've been here for the last I guess six, seven hours or so now, I'm sure you're aware of the extent of the charges that are charged against her. And even after knowing all of this, would you still feel comfortable being a co-signer potentially on her bond?
A Oh, yes.
Q Okay. And do you own property of your own, sir?

A Yes.
Q Okay. And would you be willing to put up that property that you live in with your family as part of a bond if this Court were to require to do so?
A Yes.
Q Okay.

MR. TABAKMAN: Thank you, Your Honor. No other questions.

THE COURT: Do you want to cross-examine this witness?

MR. JOCHER: I do not, Your Honor. Thank you.

THE COURT: Call the next witness.

MR. TABAKMAN: Thank you, Your Honor.

THE COURT: You're excused.

THE WITNESS: Thank you.

(Witness steps down.)

MR. TABAKMAN: We'll call Kainat Chaudhary.

(Witness is sworn.)

THE CLERK: Take your seat in the witness stand.

DIRECT EXAMINATION OF KAINAT CHAUDHARY

BY MR. TABAKMAN:
Q Good evening, Ms. Chaudhary.
A Hello.
Q How are you?
A I'm good.

Q Can you please spell your name for the Court?
A First name Kainat, K-A-I-N-A-T, last name Chaudhary, C-H-A-U-D-H-A-R-Y.
Q Okay. And your last name, is that the same last name that Ms. Khurram is currently using?
A Yes.
Q Okay. And is that a family name?
A Partially, yes.
Q Partially a family name. Just based on the way that things are set up in Pakistan. Right?
A Yes.
Q From my understanding. Okay. And your mom recently became a US citizen. Is that correct?
A Yes.
Q Okay. And how old are you, ma'am?
A Seventeen.
Q Okay. You're about to turn 18?
A Yes.
Q Okay. And where are you in school?
A I am graduating in two weeks. I'm missing her right now and -- yeah.
Q Where are you are a senior at?
A Kempner High School.
Q Okay. And what are your plans for college?
A Next year I will be going to University of Houston and

studying chemical engineering.
Q Okay. And did you receive any sort of scholarship for your plans to go to the University of Houston?
A Yes, I received a $22,000 scholarship, that's about half my tuition.
Q Congratulations. Can you please tell me about your upbringing and what type of mom you had as you were growing up?
A My mom has always been very supportive, very selfish. My mom loves me and my brother. No matter what she's always there for us, and I don't know if we will be able to go on without her.
Q Okay. Have you and your brother gone back to Pakistan since you came here in 2004?
A No.
Q You never made a trip back. Right?
A Never.
Q Do you -- and I know your mom has -
RECORDED VOICE: I'm not sure what you said.
(Laughter.)
UNIDENTIFIED SPEAKER: We don't either.
MR. JOCHER: Is that a legal objection, Mr. DeGuerin?
MR. TABAKMAN: I can repeat that question, Dick.
UNIDENTIFIED SPEAKER: It was serious.

MR. TABAKMAN: May I continue, Judge?

THE COURT: Yeah.

MR. TABAKMAN: Thank you

BY MR. TABAKMAN:

Q And I know your mom has -- there are a few family members back home, but even knowing that, do you believe that she would ever go back to Pakistan knowing what she has here and what she faces in the near future?

A I don't think she would ever go back to Pakistan. She loves it here too much.

Q Okay. So your mom, from my understanding, is the primary caretaker for both you and your brother at this point in time, even though you guys are older than just children now, but she's still taking care of you.

A Yes, completely.

Q Okay. And how close are you with you and your brother?

A How close my mom is with us?

Q How close are you with your brother?

A Oh, I'm very close with my brother. We've gone through a lot together.

Q Okay. I know you've been around this whole entire last year since your father was almost critically injured when he was shot. Can you please describe to this Court what your mom has done in the last year or so in attempting to take care of your father and do everything for him, what has she done?

A Ever since my dad was shot, she has always -- she was the one taking care of fixing his bandages and being there morally for him. She took care of all of his needs and -- yeah, she --

Q Can you describe some -- the extent of the injuries that your father had had?

A My father was shot in the abdomen, and he has had several surgeries since then to help heal that, but he still has some problems bending down and working.

Q Okay. I believe he's had more than six surgeries. Is that correct?

A (No audible response.)

Q And he's not -- he's still not working and he hasn't been working since then. Correct?

A Yes, she's still unemployed.

Q So your mom was the only caretaker for the family.

A Yes.

Q Okay. Can you describe her relationships with friends and family and the community, how close is she with some of the people that you know?

A My mom is very close with a lot of her friends. She always stays in contact with them, and whenever we have parties and -- at her house, she's always gone all out for all of that. And I've always been there with her.

Q Okay. All right.

MR. TABAKMAN: No further questions, Your Honor.

THE COURT: Do you want to cross-examine this witness?

MR. JOCHER: I do not, Your Honor. Thank you.

THE COURT: All right. You're excused.

(Witness steps down.)

MR. TABAKMAN: And, Judge, I'll proffer two witnesses, and I know we had a few more, but unfortunately they'd left for the day due to the fact that they had young children, but --

THE COURT: I'm sorry about that.

MR. TABAKMAN: Well, I'm sure you'd love to hear all of that.

THE COURT: But you can proffer their testimony.

MR. TABAKMAN: First, I would obviously -- I'd like to offer a proffer, Saleem Khurram, sir, please stand, this is her husband, Your Honor. And unfortunately he's not able to testify because of his -- he's still not able to speak very clearly and he's got some -- he still has some medical issues. But if he were to testify, he would let you know that they've been married for 24 years, that he hasn't gone back to Pakistan since 2004, that he was driving a METROLift up to the time that he was shot, or nearly prior to that point. I believe that he stopped that job a little bit prior to getting shot.

He still has significant medical issues. His whole entire stomach and abdomen was torn up, and I can't even describe the extent of everything that he has gone through, but he still continued to do so. My understanding is he's still facing some surgeries in the upcoming possible few months, as near as December or so I believe that his next surgery is coming up.

Currently his digestive system is still in recovery, so there's still a lot of things that are going on as far as medically that he's working on. And he would testify that Ms. Khurram has, you know, as much as she can, has done everything for him medically necessary in order to sustain his life style in the last year or so, and she's the only one that can continue to do so, because his children can't deal with everything that's been going on.

He would also testify that they have a lot of friends here in the community, that they're both religiously active and that she would stay here with her family and friends and she would not go back home, that she wants to be here in order to properly address this issue and this matter. And she's been here -- she stayed here since 2014, ever since she had notice of the fact that this was going on, and she has absolutely no plans to go anywhere.

The second witness I would proffer, Your Honor, would be her son. It's Saklain (phonetic). And Saklain

Saleem is 22 years old, he's a student at the University of Houston. He's a straight-A student, Your Honor, he's an engineering student there. His mother has been his full support system ever since he was a young child.

Obviously, like his sister, he would also testify to the fact that his mom has close ties in the community, a lot of friends and people that care about here, that she's the number one caretaker and provider in the family, that she -- he cannot imagine that she would ever leave them and run away from everything that's going on, that she would stay here, and that she's absolutely not a flight risk, and that the family would support her and do everything in their power possible in order to address everything that we've heard here today.

And that is the last witness I have, Your Honor. The other witness that we had that would have testified -- one second, Your Honor, if I may.

THE COURT: Sure.

(Pause in proceedings.)

MR. TABAKMAN: The other witness, Your Honor, is Nasser Abossi (phonetic). He's a friend of the family. He's 49 years old and he's known Ms. Khurram for 10 years. Unfortunately he had to leave early. He would have told the Court that he and Ms. Khurram and other family and friends meet several times a month for family and friend gatherings, that she's committed to family and friends, that she's absolutely not a flight risk, and that he would actually co-sign -- co-co-sign on a bond if need be, and he's also a property owner, and he knew the extent and the nature of the charges and that even with that being said, he would still consider co-signing on a bond. That's all I have, Your Honor.

THE COURT: Okay.

MR. TABAKMAN: Thank you.

THE COURT: So you want to make --

MR. JOCHER: If I may, Your Honor.

THE COURT: -- an argument? Yes.

MR. JOCHER: Judge, we're talking about a person who has worked in lock-step with Mr. Siddiqi in the synthetic narcotics distribution business. In addition to storing synthetic cannabinoids that were imported from China in her home, she had stored those in the apartment that she shared with Mr. Siddiqi. She supervised employees at the Onalaska manufacturing location.

Mr. Kennedy asked the Court, you know, what connections did we have. Well, we have Mr. Ulloa telling us about her, telling us without us prompting him that the two of them were having a romantic relationship, and then being able to identify them as Siddiqi -- or Ms. Khurram as the person that she had seen -- that he had seen at that location. Despite telling Immigration in 2011 that she and her husband had no significant assets, she's managed to acquire a home in

Sugar Land worth nearly $300,000 that has no lien against it.

While the other cars that Mr. Kennedy referred to may, in fact, have liens, it still costs a significant amount of money to maintain, to pay the notes on those cars. I think we're talking about three Mercedes and a Lexus. The tax returns for Ms. Khurram tell a completely different story. 2012 income of a little over 26,000, 2014 income over -- a little over 90,000.

But when we're talking about flight, assets make a difference when there is significant inexplicable wealth tied to Ms. Siddiqi [sic]. The total amount of properties that we've found that we're attributing to her are nearly a million dollars in value.

And while I am sensitive to the fact that she is now the primary bread winner, you know, her husband's unable to work, it was Ms. Khurram who brought law enforcement to that home by her own behavior, Your Honor. It was Ms. Khurram who told law enforcement, There's nobody else home. Had she told them, had she been honest with them, Yes, my husband is upstairs, maybe they could have called him down, maybe law enforcement wouldn't have gone up there, maybe they wouldn't have surprised him, maybe, if she had been honest, her husband wouldn't have been shot.

But since that time you would think, my God, police located synthetic narcotic at my apartment that I share with my lover, they located synthetic narcotics at my house, they located manufacturing equipment used for this stuff, and they shot my husband. A moment of clarity might be something that you would anticipate she would experience. But instead, three months later, she draws a $55,000 check and she and Mr. Siddiqi now have titled in their name that Onalaska property. And that is where we seized 813 pounds of Schedule 1, not analog, Schedule 1 that's being shipped out of there. And that's one shipment, Your Honor. This stuff gets broken down into gram packages. You can extrapolate from that what that 813 pounds would represent in our community.

Now talking about her trustworthiness to travel, we know when she traveled last she didn't use a credit card that said, Ayisha Khurram. She used an Amex card with a different name. We know when she was asked, Are you traveling alone, she represents to the ticket agent that she's with her husband. But she tells Customs that she doesn't know anybody else on the flight and she is traveling alone. Those are not traits of somebody who's honest and trustworthy for a bond.

The Government's position is that the presumption in her case has not, in fact, been rebutted and that there is no condition or combination of conditions that would make her suitable for a bond. Thank you.

THE COURT: Okay. Do you have a response?

MR. KENNEDY: I do, Your Honor. You know, what we've heard is about a lot of activity in 2014, we heard about more activity in 2015, and then it stops. The Government is really trying to taint the Court's opinion of her about what happened in this last trip when she left the country, and to some flight attendant -- or for some ticket agent who said something about, That's my husband, It's not my husband, she said a different comment later.

We don't know about the specifics of that, but what it didn't show was that she was involved in any sort of criminal behavior. And so, again, Judge, we heard a lot of testimony about maybe she was a danger in 2014, we heard some, you know, some testimony about if she was a danger in 2014. But nothing about whether or not she's a danger now. And that's what the Court needs to look at. And, you know, and, Judge, in addressing 3142, you have to decide whether or not there's, you know, a combination of conditions or a condition that would ensure that she not be a danger or that she not be a flight risk.

They seized her passports, so from the standpoint of travel, the Court has -- you know, this Court has a wide variety of conditions, whether it be GPS monitoring, whether it be home -- house arrest, all -- there's a lot of conditions. Normally there's no context with any sort of co-defendant, which I think would be something that would -- this Court would impose. Those are the type of combinations that would -- conditions that would address the Government's concern that they just raised. You heard from her family, we brought you testimony and proffers today, and we feel like we rebutted not only the presumption that she's a flight risk, but that she's a danger. And there are conditions that you could impose that would ensure the safety.

THE COURT: Okay. All right. Well, I believe, after all this, hearing all the arguments and the evidence, that there's a high likelihood of conviction for each of the defendants at our hearing today, and that I believe they all have access to significant assets, they all have -- they're highly motivated to flee. I think there is a high risk of flight for each of the defendants, and I'm ordering that they all must be detained. I can't think of conditions that I think they would follow for any of them, and I'm ordering that they'll be detained pending their trial in this case. And I'll try to have a written Order of Detention on file as soon as possible.

But you will be detained in the custody of the Attorney General while you await your trial in this matter. And you still have the right to counsel privately with your lawyers while you await your trial. That's my decision. The hearing is adjourned.

COURT SECURITY OFFICER: All rise.

(Proceedings concluded at 9:00 p.m.)

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*I certify that the foregoing is a correct transcript to the best of my ability produced from the electronic sound recording of the proceedings in the above-entitled matter.*

/S./ MARY D. HENRY

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